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SALARIES FOR INVESTOR RELATIONS PROFESSIONALS RISE IN MID-CAP LISTED COMPANIES

Salaries for investor relations (IR) professionals working for ASX51-100 companies increased in 2017 and the ASX50 provided equal pay to both men and women, according to a study released today by the Australasian Investor Relations Association (AIRA).

ASX50 companies paid a median fixed pay of \$325,000-\$375,000 to both genders. Median fixed pay remained static in this band over the last twelve months. However fixed pay in the ASX51-100 has risen to a median of \$275,000-\$325,000, up from \$225,000-\$275,000 last year. IROs working for NZX50 companies were paid in the median range of \$175,000-\$225,000, below the rate of those employed in the ASX150.

“While it is very encouraging to see that the gap in remuneration between genders has disappeared among large companies, there is some way to go amongst smaller companies” AIRA’s chief executive officer Mr Ian Matheson said. “However, it would appear when people have the same level of experience, they are now commanding the same remuneration.”

“Pay has risen in part because more people are joining IR ranks from outside the industry, such as from stockbroking firms, where they typically have received higher remuneration,” Mr Matheson said. “The IR role is becoming more and more demanding. No longer do they simply deal with fund managers and stockbroking analysts. They work in the front-line dealing with tough environmental, social and governance (ESG) issues for senior management and boards, and, also have to handle increasing demands from asset owners and independent research houses, often with tight resources.” That makes it all the more important that people in IR focus on continuing professional development (CPD) by taking courses such as those offered by AIRA.

Pay was bolstered by a hike in short term bonuses, with a record 88% of respondents saying they qualified for such a reward. Long term incentives were paid to fewer respondents than in past studies.

Other significant findings were:

- The median salary range for male IROs was \$225,000-\$275,000 and the median range for women was \$175,000-\$225,000.
- The highest paying sectors were consumer staples, energy, financials excluding REITs and industrials.
- Some 76% of respondents report to the CEO or CFO. Most heads of IR reported to a CFO when they worked for a company in the ASX1-150 and NZX50.
- The median bonus range was 11-20% of fixed salary. Performance rights and shares were the most popular forms of incentive pay.
- A record 39% of respondents said they wanted to change jobs up from 32% in 2016.
- The main performance indicators for IR were quality marketplace relationships; accurate analyst and media reports on company; and timely and accurate information into the market.
- IR succession plans existed for 37% of respondents, with ASX50 and ASX150-200 the most forward-looking.
- Top challenges for IR were balancing the information and relationship needs of the company and market within the regulatory environment; acquiring resources, including time, to meet demand for IR services; cutting through the communication clutter; gaining relevant, timely

information about the business; and securing senior management commitment to effective IR.

- Essential attributes of IR included being an effective communicator; being highly numerate and accurate with data; being trustworthy and acting with integrity at all times; a solid understanding of business strategy and operations, and investment market processes about needs; having strong relationships with internal and external stakeholders.

The study was the 11th annual review of investor relations practitioners in Australia and New Zealand. It was based on the results of questions sent in June to 242 practitioners across a broad range of companies listed on the Australian Securities Exchange and New Zealand Securities Exchange. A record number of responses were received from 89 listed entities. Some 83% of respondents were 30-50 years old, and 64% were male. Respondents had worked as an in-house IR for a median of 3-5 years.

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About AIRA

The Australasian Investor Relations Association (AIRA) was established in 2001 to advance the awareness of and best practice in investor relations in Australia and New Zealand and thereby improve the relationship between listed entities and the investment community. The Association's 150 corporate members now represent over **A\$1.2 trillion** of market capitalisation, over 80% of the total market capitalisation of companies listed on ASX.