



Australian Council of Trade Unions

MEDIA RELEASE

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It is time for CEOs to share the burden of the economic downturn: unions

Australia's senior company executives must start sharing the burden of the economic downturn that has seen unemployment rise by more than 200,000 people over the past 12 months, say unions.

The annual round of company reports has painted a disturbing picture of a double standard at work, said ACTU President Sharan Burrow.

Company CEOs continue to earn multi-million dollar salaries boosted by outrageous bonuses, while working Australians have been forced to show restraint to maintain business profits.

"Working Australians have made enormous sacrifices over the past year to help businesses survive the downturn, and it is a shameful double-standard for CEOs to continue to be rewarded with bulging pay packets," Ms Burrow said.

"Just when everyone thought it could get no worse came the news that Leighton Holdings' Wal King earned \$12.6 million last year, making him the highest paid CEO in Australia.

"He received a \$5 million short-term bonus, despite the company's profit falling by 28% last year.

"With the average top 100 company CEO being paid 50 times ordinary wages, corporate Australia appears to have lost touch with reality."

Ms Burrow said tougher action was needed to rein in executive pay than that suggested by the Productivity Commission.

Unions have proposed capping the base salaries of company chiefs at a maximum of 10 times the average earnings of employees within that company.

Companies should also be taxed at a higher rate for paying CEOs more than \$1 million.

"The Productivity Commission has made some baby steps in the direction greater shareholder control and tighter corporate governance for CEO salaries, but the message is not getting through.

"Tougher action is needed on CEO pay to prevent a continuation of the greed and reckless corporate behaviour that caused the Global Financial Crisis," Ms Burrow said.

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