

Corporate Governance: Issues and Facts

Quick Fact:

The salaries of Australia's top 100 CEOs grew by 38 per cent in 2002, averaging 89 times the Federal Minimum Wage, up from 65 times the FMW in 2001. It should be noted that the average CEO internationally receives 18 times the wage of an ordinary worker.

Issues For Policy At Congress 2003

- Executive salaries continue to grow at a rate faster than wages.
- In 2002, the incomes of Australia's top 100 CEOs grew by 38 per cent, producing an average annual salary (excluding retirement benefits) of \$2 million a year, equivalent to \$38,450 per week. The average pay rise for this group was \$10,576 per week.
- This average salary for the top 100 CEOs in 2002 was 89 times the Federal Minimum Wage, up from 65 times the Federal Minimum Wage in 2001.
- The last three years has seen corporate governance come from obscurity to perhaps the major issue for business and investors in this country sparked by a number of high profile company collapses, including OneTel, HIH and Ansett

ACTU Draft Policy

Some of the key measures raised in the ACTU draft policy are:

- improving disclosure provisions to enable investors to better form an opinion on the independence of board directors
- increasing penalties for breach of directors' duties, and ensuring greater personal liability for damages by directors who are responsible for losses
- encouraging increased shareholder participation, particularly by institutional investors, including superannuation funds
- improving executive remuneration disclosure
- accelerating audit reform
- improving the independence of analysts by introducing measures that ensure shareholders are made aware of potential conflicts of interests
- improving protections for corporate whistleblowers

More information on Corporate Governance is available on the ACTU Website

- a comprehensive Congress background paper and
- the full draft policy

www.actu.asn.au/congress2003

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