



Australian Council of Trade Unions

**MEDIA RELEASE**

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## Executive pay outrage as company CEOs pocket millions while slashing jobs

New data showing the average CEO earned more than \$2 million last year at the same time as thousands of Australians lost their jobs is an outrage, say unions.

The Global Financial Crisis has cost Australian workers 160,000 jobs over the past year, and yet many chief executives were rewarded with lavish salaries and bonuses, said ACTU President Sharan Burrow.

Ms Burrow said a new report finding CEOs earned an average total pay of about \$2.3 million\* last year highlighted the need for tough new regulations on executive salaries.

“With the typical CEO still earning well over \$2 million last year, it’s clear that big businesses have not taken heed of the justifiable anger in the Australian community about executive greed,” Ms Burrow said.

“Even after the most serious global economic crisis in 70 years, a top 300 CEO is still taking home more than 50 times the average wage.

“But company mismanagement and the fallout from the GFC have cost tens of thousands of jobs, reduced working hours and caused workers to forego wage rises.

“It is only fair that CEOs should have taken a pay cut last year when they were expecting similar restraint from their workforce, but this comes after years of growth in executive salaries which outstripped rises in average earnings.”

“Extravagant salaries and bonuses contributed to the GFC by encouraging risk-taking and short-term thinking that undermined the sustainability of businesses and the financial system.

“The recent Productivity Commission report into executive remuneration goes nowhere near reining in excessive CEO pay and more action is needed to prevent a repeat of the GFC.

“Tighter rules of corporate governance, more power to shareholders and increased board accountability and transparency will only do part of the job.

“Unpopular as it may be with the CEOs’ Club, unions believe that the salaries of company chiefs should be capped at a maximum 10 times the average earnings of employees within that company.

“Companies should also be taxed at a higher rate for paying CEO salaries over \$1 million,” Ms Burrow said.

\* *Australian Financial Review* annual salary survey of the top 300 listed companies, published today.

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