

Huge payouts to stop

The Federal Opposition has attacked the payout given to former BHP Billiton chief executive Brian Gilbertson as being an ‘obscene abuse of shareholder funds’.

Senator Stephen Conroy, the shadow minister for finance, issued a media statement in the past fortnight branding the payout to Gilbertson as being yet another slap in the face for BHP shareholders.

Senator Conroy says the Labor Opposition will seek to give shareholders greater power over executive remuneration.

According to the Senator’s media blurb, the \$50 million payout to Gilbertson follows a payout to former chief executive John Prescott in 1998 totaling more than \$11 million and the 2002 payout to \$18 million to Paul Andersen.

“Payouts of this magnitude show that the BHP board is ignoring the groundswell of shareholder concern about obscene payments to corporate executives,” says Senator Conroy.

“Shareholder concern is further justified with the release today of a report commissioned by the Labor Council of NSW which shows that there is *no* link between high executive pay and company performance.”

Senator Conroy says Australian shareholders deserve the same rights as their UK counterparts – so they can vote against company policy on remuneration policies like BHP Billiton’s.

“Accordingly, Labor will again move its amendments (to give shareholders a say on executive remuneration) when the CLERP 9 legislation is introduced,” Senator Conroy says.

This article was supplied by Tom Ravlic. Tom Ravlic is a financial journalist who has spent the past seven years covering the accounting profession, accounting and audit standard setting and corporate governance. His work has appeared in various publications including *Business Review Weekly*, *Personal Investment* (now *Personal Investor*), *The Age*, *CFO Magazine*, the *Australian CPA*, the *Company Director Journal* and the newsletters of the internationally renowned Lafferty Group. In addition to his freelance commitment to a wide range of publications, Tom has recently accepted an appointment to be editor of *Chartac Accountancy News*, published by Melbourne-based publisher Crown Content.