

**JOINT MEDIA RELEASE  
WITH  
HON. WAYNE SWAN  
TREASURER  
AND  
HON. CHRIS BOWEN  
MINISTER FOR HUMAN SERVICES,  
MINISTER FOR FINANCIAL SERVICES, SUPERANNUATION AND  
CORPORATE LAW**

**GOVERNMENT WELCOMES PRODUCTIVITY COMMISSION'S  
DRAFT REPORT ON EXECUTIVE REMUNERATION**

The Government welcomes the release today of the Productivity Commission's discussion draft of its report *Executive Remuneration in Australia*.

In March 2009 the Government asked the PC and Professor Allan Fels AO to examine this issue because it believes that executive pay practices are a cause for legitimate community concern and should form part of a long-term and sustainable approach to running a business.

Critical to this is a regulatory framework that promotes transparency and accountability and aligns the interests of company directors and executives with those of shareholders and the broader community.

The PC's draft report complements both actions taken by the G20 and work that has been undertaken by the Australian Prudential Regulatory Authority (APRA) with respect to Australian financial institutions.

The draft report is also consistent with the Government's proposed reforms to termination benefits.

The draft report makes recommendations on a number of issues. These recommendations are designed to improve board capacities, reduce conflicts of interest, encourage stakeholder engagement, improving relevant disclosure and to ensure well conceived remuneration policies.

The Government is determined to ensure that executive pay practices are in line with both community standards as well as sustainable business practices, and today's draft report is a key part of that commitment.

The PC will be accepting further submissions and conducting additional public hearing before finalising its report.

Copies of the draft report and further information is available at the PC website [www.pc.gov.au](http://www.pc.gov.au).

30 September 2009