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Bosses feast at cost of workers: unions

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Unions have slammed the rise in CEO salaries as inequitable, saying companies were increasing wages to their top executives at the same time as arguing for a cut to minimum wages.

The Australian Financial Review's seventh annual Salary Review, published yesterday, found that total remuneration paid to the 300 biggest sharemarket-listed companies rose 16 per cent in 2005, driven by strong corporate profits.

The **Australian Council of Trade Unions'** secretary, **Greg Combet**, condemned the rise.

"A lot of these business people are the same people who have been in Canberra encouraging the government to toughen up the Work Choices legislation to take away workers' rights," he said.

"They've all supported the legislation to change the way minimum wages are set, which will see people's living standards fall in real value, but they're all awarding themselves huge increases and bonuses."

The average base salary for executives rose by 6 per cent, largely in line with the increase in earnings in the wider workforce.

But the opposition spokeswoman on corporate governance, Penny Wong, said companies needed to explain clearly the link between pay and performance or face a backlash from the public.

"Executives need to be aware of community concerns that growth in executive pay is dwarfing that of employees. If executives want large increases, they must demonstrate to shareholders, and therefore the wider community, that they are worth it," she said.

The Australian Shareholders Association said the mandatory requirement for companies to disclose remuneration details of their executives in annual

reports this year had led to increased board efforts to link pay to performance.

"I think this will send a message to boardrooms that the grab for dollars has to moderate, and I think we have seen the start of that," Stephen Matthews, chairman of the Australian Shareholders Association, said.

Under new corporate governance rules, companies are required to provide salary details of the chief executive and the five highest-paid managers of the company as part of their annual reports.

Caption :PHOTO: Some of those who won't be gorging: workers rally against the Work Choices legislation. Photo: CRAIG ABRAHAM

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