
Dear Julia, Exec Pay Has Nothing to Do With You

Dear Miss Gillard,

I read in this morning's paper that the Greens are proposing a cap of \$2m on executive pay. No doubt you think this is a silly idea. And it is. There has never been a surer way to end up with our best and brightest leaving Australian shores. But it is no sillier than the rest of your hare-brained schemes on remuneration.

We don't need a vote on remuneration reports. We don't need a 'two strikes' policy and we most certainly don't need a cap on executive remuneration. In fact, we don't need you to do anything. We already have all the legislation we need.

You might not realise this but, if we don't like the remuneration policy our board has set, we can sack them any time we feel like it. All we need is shareholders representing 5% of the company's shares to call a meeting and put it to the vote. Within two months of calling the meeting, we can have in place a new board and a new remuneration policy.

That's a much lower threshold than we need to jump to force a meeting under your proposed two strikes policy.

Don't get me wrong, we haven't been using our power as much as we should. Some of our executives have been paid millions of dollars for destroying billions in shareholder wealth. Many of the contracts in place are overly generous and provide all the wrong incentives (see [Transurban's \\$6m toll collector](#)). But that's our problem, not yours. We already have all the tools we need to do something about it.

Kind regards,

Mr Stockmarket Investor