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High executive pay equals low performance: report

An academic from the University of Canberra (UC) has called for decisions on executive pay rates to be made independently from boards.

UC academic Dr Michael O'Donnell co-authored a report earlier this year that found the executives paid the most perform the worst.

During a forum at the **Centre for Commercial Law** at the **Australian National University** (ANU), Dr O'Donnell also pointed to institutional investors as important players in changing corporate culture.

Dr O'Donnell has welcomed Government plans for stronger disclosure laws but says more can be done to reign in the excessive payouts seen in recent times.

"There also needs to be a far greater push for executive remuneration committees that are independent of the board of directors," Dr O'Donnell said.

"Similarly there needs to be far more power provided to shareholders and annual general meetings in terms of being able to vote and if necessary, or if they believe the packages can't be justified, voting down the remuneration provided the senior executives."

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