

NEIL BUCHANAN

Executive Remuneration Inquiry,
Productivity Commission,
LB2 Collins Street East,
Melbourne 8003.

28th of March 2009.

Dear Sirs,

I write to you as a retired physician, a shareholder and a self funded retiree – hence unqualified to have any form of expert opinion on Executive Remuneration. However, as a member of the general public who has worked in, and for, the community for four decades, I do have two thoughts of a more general and philosophical nature.

Firstly, as a shareholder, I feel strongly that executive remuneration should be discussed more openly with shareholders, who after all are part owners of the company. It is hard to envisage that base salaries should be 'controlled' by shareholders, but certainly " bonus/performance " packages should be scrutinised and voted on by shareholders.

The final point pertains to a societal change, which seems quite striking to me and that is a blurring of the boundary between what is LEGAL and what is MORALLY ACCEPTABLE i.e what is right. In recent weeks this has been especially well demonstrated by the AIG fiasco in the USA and locally by the shameful actions of the CEO at Pacific Brands. These bonuses/pay rises may have been quite legal, but to blind Freddie they are obviously immoral, wrong, indecent, crass, obscene or whatever terminology you choose. As a society we appear to be obsessed with the passage of more and more legislation to 'fix' issues of failed commonsense and lack of decency. In Australian vernacular we are talking of not doing " the right thing " .

This brief note is not written out of any sense of
wowserism, but to reflect at least my own concerns. Should you as an
Inquiry agree with my second suggestion, I do not know what you can
actually do about, but hopefully not encourage politicians to pass yet
another law to make people ' behave decently ' . Whether a public
decency education campaign would be of any value I know not, but as
things stand at the moment it would appear to be needed at Executive
(and other) levels.

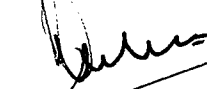
Thank you for receiving this tiny submission and may I
leave you with two attributions to lighten your deliberations:

" You never know what is enough, until you know what is more than
enough." William Blake.

Queen Mary is said to have tried to use 3 criteria in reaching her
decisions: Is it decent?, is it necessary? and is it nice ?

Trying Queen Mary's suggestions is quite a leveller!

Yours Sincerely,



PROFOESSOR NEIL BUCHANAN.