

Australian Productivity Commission

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Canberra City

ACT 2601

Dear Commissioners,

Your recent report puts forward the option of 20% of shareholders being able to vote down executive pay packages with dire ramifications for boards who misread shareholder sentiment in two consecutive years.

Such a solution would be totally ineffective if there was not more pressure placed on large super funds and investment funds to participate instead of merely passing on their proxy vote to the chairman of the AGM. Forgive me for suggesting that the executives of these funds are members of the same club as the board members of Australia's major public companies and have no vested interest in rocking the boat. (Their gravy train of excessive super fund fees is currently also under scrutiny.)

Secondly, small shareholders lack the cohesive organization necessary to take advantage of the Commission's suggestion. Perhaps the introduction of measures that aid the development of such an attribute would make the Commission's suggestion more meaningful.

Yours faithfully,

Peter Miller