

BANKING INDUSTRY — CEO REMUNERATION

Statement

HON MARTIN PRITCHARD (North Metropolitan) [5.20 pm]: On Tuesday when I was reading *The West Australian*, I came across an article by Stuart Condie that made by blood boil. The article refers to a chief executive officer from one of the major banks. I will not isolate any of the four major banks; I think they are all as bad as each other, as are many major financial companies. The article reads —

ANZ chief executive ... has taken a near \$1 million pay cut after a year of declining profits, a falling share price and industry-wide reputational damage.

His performance-related remuneration was cut by 23 per cent to a measly \$3.15 million, reducing his overall package to \$5.25 million from \$6.2 million in 2017. I think that is obscene. Along with other major bank CEOs, he should not get any performance-related remuneration for the previous year. As I said, that is obscene. What I read further exacerbated it for me. The article continues —

Performance rights awarded in November 2014, when ... was chief financial officer, lapsed because total shareholder return performance hurdles were not met.

Because he did not meet the hurdles in shareholder returns, he lost some of his remuneration. It had nothing to do with the actions of his bank and the way it has treated its customers. The article continues —

ANZ's full-year cash profit for the 12 months to September 30 slipped 16 per cent to \$5.8 billion in 2018, while its share price slipped about 5 per cent over the year.

This whole episode is obscene. The CEO has not managed to look after his shareholders. He does not have to worry about looking after his customers or the community as a whole, but if he does not look after the shareholders, that is when he gets a pay cut. Again, I think that is obscene. The final part of the article says —

Shareholders will vote on the remuneration report at the bank's annual general meeting in Perth on December 19.

It is a pity that the bank's customers cannot vote on his and other major bank CEOs' remuneration, although he may find it very difficult to get votes from the dead customers that his bank continues to charge.