

ACSI makes call for binding vote on executive pay

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The CEO of the Australian Council of Superannuation Investors (ACSI), Louise Davidson, has said “Maybe it is time for investors to have more power, to have a binding vote on executive pay. The media release on ACSI’s website refers to Ms Davidson “urging both major political parties to consider following such proposals in Britain” (see [HERE](#)).

This would be a significant step which will increase remuneration report length and complexity, and limit board’s freedom to respond to unforeseen situations. So far the verdict in the UK is that the requirement has created a lot of work for external stakeholders, companies and their advisers, and yet has not markedly improved any key aspect of executive remuneration, such as levels, structures, and performance measures.

ACSI is the body whose members include 39 Australian and international asset owners and institutional investors. Collectively, they manage over \$2.2 trillion in assets and own on average 10 per cent of every ASX200 company. Many of Australia’s largest industry superannuation funds are members of ACSI.

ACSI advises its member funds on ESG issues and, in particular, makes recommendations to members on the non-binding vote on remuneration reports and the binding vote on equity grants to directors.