

Employee Share Schemes – annual conference ends on high note

- . ***Increased emphasis on extending schemes to Small Business***
- . ***Australian scheme practice compared with overseas***
- . ***Australian organisations urged towards international leadership***
- . ***Outstanding member company performers recognised***

FOR IMMEDIATE RELEASE
Sydney, 1 June 2015

Wrapping up the recent Annual Employee Ownership Australia (EOA) Conference in Melbourne, Ben Morris – conference chair, EOA board member and head of Executive Compensation & Global Projects at Lend Lease Group, Australia – thanked representatives of member organisations who had presented papers detailing their employee ownership-related activities over the previous 12 months, and pronounced the event a success.

Conference session presenters:

- . Priscilla Bryans – Partner – Greenwoods & Herbert Smith Freehills
- . James Marshall – Managing Director – Computershare Ltd
- . Adrian O’Shannessy – Director – Greenwoods & Herbert Smith Freehills Pty limited
- . Geoff Price – Senior Remuneration Specialist – Telstra
- . Mathew Ronald – General Manager, Equity Plan Solutions – Link Market Services Limited
- . James Sadler – Remuneration Manager, Executive – Orica Limited

The conference closed with this year’s Annual EOA Awards, (see below). Criteria for the awards covered employee ownership program innovation, the effectiveness of program communication within the participating company, and overall program acceptance and effectiveness.

Objectives:

Employee Ownership Australia is the country’s peak body in its field and prides itself on being independent of political affiliation or any industrial or commercial influence. As with its counterpart organisations in other countries, the focus is firmly on improved productivity for economic growth, through enhanced employee engagement.

EOA fosters that enhanced engagement by enabling employees to save by taking a financial stake in the companies they work for. Employees who participate do so through voluntary and specific salary sacrifice arrangements which enable them to progressively accumulate company shares. They join the share register just like any other shareholder.

Importantly, this year’s conference agenda was intentionally weighted towards broadening employee share ownership beyond large organisations, to include more small business companies

The International experience:

Guest speaker Andrew Pendleton – who is professor of HR Management at Durham University Business School in the UK – updated delegates on the status of employee share schemes in Europe.

This included live video interaction with speakers in France and Ireland, two EU countries at the forefront of the practice.

Delegates learned from the link-up that, following only limited employer enthusiasm for schemes when they were introduced in France in 1959, legislation was enacted in 1967 to compel companies with 50 or more employees to offer them. The speaker in Ireland said that while senior managers were the predominant share scheme participants in that country, all EU member countries should work to broaden inclusion to all levels of employee.

Elsewhere, Andrew Pendleton explained, a recent survey in the UK showed that, for 40 per cent the employees participating in ShareSave, it was their only form of saving. Also, of all alternative remuneration arrangements across the EU, 27 per cent were in the form of employee share ownership schemes.

The government perspective:

Fellow special guest speaker John Price – Commissioner, Australian Securities & Investments Commission – told the conference that ASIC had gone as far as it could to help EOA encourage employee share ownership and continued to talk to legislators about easing related taxation and regulatory processes.

Significantly, John Price also said that ASIC and ATO had embarked on producing a guide for employers, to help them over the hurdle of designing and offering employee share schemes.

As another initiative, Tony Smith, MP – the Federal Member for Casey – urged EOA and other interested parties to set up a permanent panel of stakeholders to address the taxation, regulatory and education barriers to widespread scheme adoption; to advise the bipartisan ‘Parliamentary Friends of Innovation and Enterprise’ panel about schemes. He suggested those present could help Australia become a world leader in employee share ownership best practice.

Federal Government was also represented at the conference by Terri Butler, MP – the member for Griffith – and Ben Morris thanked both parliamentarians for their participation. He said EOA was heartened by this clear demonstration of bipartisan support for the employee share scheme issue.

Annual EOA Awards:

Conference chair Ben Morris closed the conference with the announcement of this year’s Awards in six categories and invited Professor Pendleton to make the presentations. The categories and awardees were:

- Best International Share Plan – **Fletcher Building Limited**
- Best New Employees Share Plan – **Asaleo Care Ltd**
- Best Performance in Fostering Long Term share Ownership – with fewer than 1,000 employees – **Genesis Energy Ltd**
- Best Performance in Fostering Long Term share Ownership – with more than 1,000 employees – **BP Australia**
- Best SME / Succession Plan – **Cooperative Home Care**
- Most Effective and Innovative Communication Program – **Treasury Wine Estates**

Extending her congratulations to the winners and runners up, alike, Angela Perry – Chair of Employee Ownership Australia – said this year’s increased number of award submissions was gratifying and the standard of them commendably high.

“With its important Awards component, EOA’s annual conference is the largest of its type in Australia and is routinely the ‘must attend’ event for HR professionals, employment lawyers, share plan advisors, finance directors, communicators and company secretaries,” said Angela Perry.

She added, “It provides the ideal opportunity for like-minded senior executives from both the private and public sectors to exchange their own experiences of running Employee Ownership programmes and hear from leading advocates in this space,”

News ends

About Employee Ownership –

Employee Ownership Australia and New Zealand (EOA) was formed in July 2011 out of the Australian Employee Ownership Association (AEOA). EOA has the same principles as those shared of the AEOA’s founders. When AEOA was formed by 20 companies in 1986 its principles were to be a member-focused, non-profit association. Its purpose was to assist members with their employee ownership (or co-ownership) plan, employee engagement and involvement and employee participation levels.

In March 2011 the AEOA undertook a strategic review. This happened at the same time as the Employee Ownership Group decided to wind down. The EOA was formed to ensure that there is a voice for broad based employee ownership and dynamic workplace participation in Australian and New Zealand companies. The EOA is an organisation focused on engaging with and helping companies that have or want to implement employee ownership or employee share plans. EOA is independent and entirely member funded.

For further information please contact –

Angela Perry

Chair of Employee Ownership, Australia

Office + 61 (0)3 9615 9685

Mobile + 61 (0) 424 557 297

angela.perry@employeeownership.com.au

Employee Ownership Australia’s media contact at Blackie McDonald is:

Derek Evans

Mobile + 61 (0) 410 601 673

derek.evans@bmcd.com.au