

6 May 1999

The Committee Secretary  
House of Representatives Standing Committee on Employment,  
Education and Workplace Relations  
Suite R1, 116 Parliament House  
CANBERRA ACT 2600

Dear Mr McMahon

**RE: EMPLOYEE SHARE OWNERSHIP IN AUSTRALIAN ENTERPRISES**

Thank you for inviting Coca-Cola Amatil to make a submission to the Committee into employee share ownership.

Coca-Cola Amatil introduced an Employees Share Plan in February 1991 and I attach a guide to our plan.

The reasons articulated at the time of the launch were stated as follows:

“An important factor in the achievement of CCA’s growth and profit targets is a committed and involved workforce.

There is no better way to involve employees in the future fortunes of their company than to enable them to become part-owners – to have “a piece of the action”. In this way they have a stake in the success of the company. The CCA Employees Share Plan has been established to meet these objectives.”

We currently have 2,700 participants in Australia, a participation rate of 80%. The Plan is also available to employees in other countries in which CCA operates. An additional 3,300 employees participate from these overseas locations.

Coca-Cola Amatil has a general belief that there is value in a direct linkage between employees’ contributions to the success of the company and shareholder value as measured by the performance of Coca-Cola Amatil’s shares. The Employees Share Plan provides this opportunity for all employees and, in essence, the company matches the purchase of a share at current market value from an employee’s salary with the provision of a matching share after a vesting period of two years. The participation rate is evidence of the value employees see in this plan.

Since the plan was introduced, Coca-Cola Amatil has seen significant gains in productivity. We find it impossible to prove that there is a causal link between the existence of the Employees Share Plan and this rise in productivity. However, as we have worked with employees and unions to improve workplace relations, there has been a constant theme of reference to productivity and there is no doubt that the existence of the Plan is seen as evidence of the company’s willingness to tangibly support its words with its actions.

We believe that our constant search for higher productivity and better performance is supported, among other things, by the existence of the Employees Share Plan.

Accordingly we would encourage the Government to continue a regime in which such schemes are encouraged and facilitated.

Yours sincerely

**ROB DONKERSLEY**  
Employee Relations Director