

3 September 1999

Attention: Committee Secretariat
The Standing Committee on Employment Education and Workplace Relations
Inquiry into Employee Share Ownership
Parliament House
CANBERRA ACT 2600

Dear Sir

Inquiry into Employee Share Ownership

We are aware of the submission made to the committee by Ernst & Young and generally, AmCham supports the issues raised in the Ernst & Young Submission.

Most large publicly owned American corporations have well established employee stock (share and/or option) plans. These plans are common in 'corporate' America and are designed to encourage commitment to the company, and often are an important part of remuneration arrangements. They also encourage capital accumulation (saving) by individual employees.

Most US corporations are prepared to extend stock plans to employees worldwide - provided the local 'rules' for both tax and share ownership are not 'hostile' or cause compliance difficulties.

US companies operating in many countries - often 50 or 60 - are not prepared or able to modify plans to accommodate the 'unique' rules or requirements of a single country. If this is necessary, it results in the stock plan not being offered to the employees in that country.

If Australia's share (stock) plan requirements discourage or preclude the extension of a corporation's plan that operates 'worldwide' the losers are the Australian employees and Australia generally as access to a source of wealth and income is denied.

No responsible Australian Government should impose rules which deny Australian employees access to a wealth accumulation (savings) program which is available to employees in other countries.

The Australian rules for stock and share plans are complex and confusing and are a long way from international standards.

Yours sincerely

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