

3 Lombardo Court,  
Fig Tree Pocket Qld 4069.

Phone 0419 447 182.

Wednesday, 24 March 1999.

The Secretary,  
House of Representatives Standing Committee  
On Employment, Education and Workplace Relations,  
Suite r! 116, Parliament House,  
Canberra ACT 2600.

Re Employee shareownership in Australian enterprises.

Dear Sir,

I wish to place my views on the above matter before the committee.

The first point I wish to make is that shareownership by employees in Australia is not new. As early as 1966 I worked for IBM Australia Limited and all employees in receipt of a regular wage were able to purchase shares in IBM Corporation (listed on the NYSE) through payroll deductions. Participation was based on the deduction of a percentage of total earnings (there was an option to deduct either 5% or 10%).

The second point I wish to make is that it is highly desirable that such schemes should be strictly regulated so that all employees in receipt of a regular wage may participate in proportion to their annual earnings including holiday pay, wages, salaries, commissions but excluding profit participation and executive bonuses. It is very important, in my view, that if the shareholders agree to employee stock issues then the participation should be across the board and open to all employees rather than a select few.

I am also not in favour on restrictions on the sale of the stock once sufficient funds have been accumulated to buy a reasonably sized parcel (perhaps \$2000 indexed for CPI). Once that sum has been accumulated in a trust fund the shares should be purchased for the employee in his or her name and the ownership should cease to me of any interest to the employer.

I see employee participation in share ownership as a very strong positive influence for good in the workplace provided that it is available to all in proportion to their earnings. Executive bonus schemes have a place to play in the modern workplace but it is a potential cause for friction when employees see share participation restricted to the favoured few.

Yours faithfully,

**Peter J Murray**  
MBA ASA FNIA ACIS