



27 January 2011

Mr Geoff Miller
General Manager
Corporations and Financial Services Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Mr Miller,

I am writing in response to the call for comments on the exposure draft of the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011*. We have contributed to the industry submission prepared by the Australian Bankers' Association and fully support the positions presented there. However, we would like to raise our specific concerns about the proposed voting threshold for the 'two-strike' process.

We are concerned that the 25% 'no vote' threshold is set too low. As a general principle, it has the potential to ignore a majority view up to as high as 75%, which we consider to be undemocratic. Furthermore, the percentage required is of the votes cast, not total eligible votes, and it is proposed that undirected proxies held by key management personnel will not be able to vote on the Remuneration Report. In practice, this disenfranchises a group of shareholders and could result in a very small minority of shareholders forcing revisions to remuneration practices/policy, or a spill resolution.

Other ordinary resolutions, which may relate to significant shareholder concerns about the management of the company, require a majority vote. Concerns about executive remuneration should be treated consistently. We strongly recommend that the voting threshold be set at 50%, in line with other ordinary resolutions.

ANZ would be pleased to provide further information about our comments above or our views on other aspects of the legislation as required. Please contact Michael Johnston, Manager Public Policy on (03) 8654 3459 or michael.johnston2@anz.com.

Yours sincerely

A handwritten signature in blue ink that reads 'Susie Babani'. The signature is fluid and cursive, with the first name 'Susie' being larger and more prominent than the last name 'Babani'.

Susie Babani
Group Managing Director Human Resources