

Pacific Brands retirement payment criticism incorrect

Pacific Brands Chairman James MacKenzie today said a retirement payment to former Chief Executive Officer Paul Moore would have met new standards on executive remuneration announced today by Treasurer Wayne Swan.

“Corporate Governance Minister Nick Sherry cited Mr Moore’s retirement package as an example of a loophole. In fact it was exactly the sort of payment that the Treasurer’s new laws encourage and will allow, with Mr Moore receiving no more than one year’s pay as severance,” Mr MacKenzie said.

“Pacific Brands remuneration practice for termination and retirement payments is already consistent with what the Treasurer described today as his preferred practice.

“The payment was also 100 per cent in line with existing tax laws, and with the new laws proposed today by the Treasurer. The tax treatment was subject to advice by Price Waterhouse Coopers.

“Mr Moore retired from Pacific Brands and his executive career after almost 30 years with the company, almost a decade of that as CEO. He was not terminated, nor did he leave for another job.

“We will also place on the record once again, that current Chief Executive Officer Sue Morphet received an increase in total pay from \$685,000 to \$1.8 million, half of which is at-risk performance pay, upon her promotion in January 2008.

“This salary is about half that of her predecessor and was made 14 months before any decision on redundancies was made – not after, during or just before. Media suggestions otherwise are factually incorrect.

“Ms Morphet’s bonus arrangements also meet Mr Swan’s description of best practice, with any at-risk bonus payments not being in excess of 100 per cent of her base salary.”

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