

‘Reaching the grassroots: How do we communicate the economic and social benefits of business to the community?’

Stephen Mayne

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Making friends with the right people

- **“Do you set out to be offensive or it is just natural?”**
- Kerry Packer, PBL AGM, 2000.
- **“That’s the first time anyone’s ever interrupted our AGM – I’ll get you later.”**
– Gerry Harvey, Harvey Norman AGM, 2001.
- **“You’re free to fire me any time, Mr Mayne”**
– Rupert Murdoch, News Corp AGM, 2004.
- **“What are you going to bring up next, the assault charge?”**
– John Singleton, STW AGM, 2005.
- **“People like Stephen Mayne don’t deserve a place in society.”**
– Alan Jones, 2005.
- **“I wouldn’t cross the road to give him a backhander – or a writ.”**
- Eddie McGuire, 2002
- **“The ABC is disgraced by your presence.”**
- Andrew Bolt, 2005



48 Failed Board Tilts

>	Woolworths,	2000:	54.74%	>	AWB,	2009:	8.66%
>	NRMA Ins,	2000:	45.59%	>	John Fairfax,	2005:	7.85%
>	CommBank,	2000:	39.71%	>	Spotless,	2001:	7.69%
>	AMP,	2000:	33.89%	>	OZ Minerals,	2009:	7.00%
>	WA News,	2000:	28.41%	>	Woolworths,	2010:	6.60%
>	Centro Retail,	2008:	26.70%	>	Alumina,	2008:	6.28%
>	John Fairfax,	2001:	20.58%	>	NAB,	2009:	5.60%
>	ASX,	2002:	18.70%	>	ASX,	2008:	5.05%
>	WA News,	2007:	18.18%	>	MAP Group	2009:	4.88%
>	AFIC,	2013:	16.41%	>	Santos,	2011:	4.80%
>	MacBank,	2006:	15.49%	>	Telstra,	2001:	4.71%
>	Gunns,	2005:	14.70%	>	Woolworths,	2014:	4.05%
>	Telstra,	2000:	14.65%	>	Southern Cross,	2001:	3.85%
>	ASX,	2000:	13.52%	>	CBA,	2014:	3.15%
>	News Corp,	2002:	12.89%	>	Rio Tinto,	2011:	3.04%
>	BHP Billiton,	2008:	12.38%	>	Fairfax Media,	2009:	3.00%
>	David Jones,	2000:	11.46%	>	Woolworths,	2006:	3.00%
>	AMP,	2003:	11.41%	>	Cabcharge,	2014:	2.25%
>	PMP,	2001:	11.24%	>	Macquarie Group	2015:	1.58%
>	ASX,	2001:	10.69%	>	Ten Network,	2014	1.48%
>	NRMA Ins,	2001:	10.61%	>	Axa Asia Pac,	2001:	1.11%
>	Telstra,	2006:	9.53%	>	Fairfax Media,	2014:	0.92%
>	WA News,	2008:	9.47%	>	Ten Network,	2009:	0.91%
>	NAB,	2000:	9.14%	>	Westfield Holdings,	2000:	0.37%



2 wins in 11 political contests

Kennett's state seat of Burwood	1999 (6.7%, 3 rd of 5)
Melbourne Lord Mayor	2001 (2.5%, 13 th of 19)
Victorian upper house	2006 (1.33%, only beat DLP)
Costello's Federal seat Higgins	2007 (1.98%, 4 th of 8)
City of Manningham	2008 (19%, 2 nd of 10 – elected!)
Federal Senate	2010 (0.19%, 13 th of 23)
Victorian upper house	2010 (1%, 7 th of 11 – almost elected!)
State by-election Melbourne	2012 (4.74%, 4 th of 16)
City of Melbourne	2012 (6%, 6 th of 13 and elected 8 th of 9!)
Federal election Menzies	2016 (6.72%, 4 th of 8)
City of Melbourne	2016 (5%, 5 th of 17, narrowly defeated)



The Core Mission/Campaign

- “Sunlight is the best disinfectant”
- **The 4 key elements for success:**
 - 1. Great, honest, capable, inspiring leadership
 - 2. A well-designed system with the right incentives
 - 3. Accurate information on leadership & system performance
 - 4. Ability to change leadership and system as merited



The Manningham reforms

- **Hopeless councillor leadership but did achieve this:**
- Executive pay disclosure, including contract length
- Disclosure of the full council lease register
- Unscripted public questions at beginning of council meetings
- Audio of council meetings on website
- End of term report on councillor expense claims
- Manningham at VCAT section on website
- Full 10 year capital works plan disclosed



Lock in transparency

- “City of Melbourne aspires to increase public disclosure and access to information to become one of the most transparent councils in Australia.”
- *-2013-2017 council plan*



CoM transparency reforms

- Audio of council/committee meetings on the web
- 15 minutes of unscripted public questions 4 times a month.
- Changed default position of tenders from confidential to open
- All advice on Ministerial planning decisions done in public
- Public register of all developer contributions since 1988;
- Began publishing submissions online with minutes and audio;
- Online gift register with \$200 threshold
- Disclosed CEO pay, plus 5 other senior executive



CoM transparency reforms

- Disclosed individual valuations of 20 most valuable properties
- Banned councillors meeting developers without an officer
- Register of major service contracts above \$1m
- Online register for conflict of interest declarations
- Pressured Planning Minister to release delegate reports;
- Voluntary political donations register for Crs & candidates
- Full Citywide and QVM annual reports came to open council



Melbourne transparency failures

- 10 year capital works pipeline not fully disclosed in detail
- No annual media report assessing how we went
- No full disclosure of councillor free tickets
- No end of term FOI report – aim to make it redundant
- Subsidiary board appointments still made in confidential
- Don't tell everyone what we tell individual journalists
- Still lengthy councillor only sessions with no written agenda
- No public submission session before draft budget released
- No citizen jury on generosity of enterprise agreement



Still lost! Too pro-business?

- City of Melbourne has a unique business gerrymander
- After 4 years of reform, vote dropped from 6% to 5%
- Annoyed resident groups by being too pro development
- Governance reform not visible, spent nothing on campaign
- Very anti-business sentiment around QVM renewal
- Surprised by anti-business sentiment on car share schemes
- Strong backlash against developer donations
- Positive media & 200k campaign vital for Doyle re-election
- Phil Cleary captured anti-establishment vote on QVM issue



Reflections on CoM media dealings

- New CoM mobile enabled website in 2015 – finally
- Councillors are over-briefed on media matters – 1000 emails
- Admitted to stuff-up with 35,000 unauthorised parking fines
- Doing well with social (Twitter, Instagram & Youtube)
- Often tensions between Lord Mayor and Crs on media
- Lord Mayor Robert Doyle a power-house on radio
- Challenge managing 6 Tweeting councillors
- Transparency generated goodwill and good media



Latest ASA policy changes

- Only one executive director, 30% female directors
- Opposition to board entrenchment devices at the likes of Medibank, Qantas, South32 and TWE.
- Reveal the proxies – shareholder sentiment, Bellamy's
- Pushing hard against political donations
- Capital raisings must be pro-rata & fair
- Skin in the game for execs and NEDs
- Removing duds from directors club



Best practice ASX disclosure

- Webcast and transcripts of analysts call & AGM
- Tell us the proxy position early and identify proxy providers
- All relevant info on directors: age, pay, shareholding, committees, CV, other boards, city of residence
- Actual pay and how it relates to average employee pay
- All political spending disclosed in annual report
- Outcome of capital raising – placement recipients, SPP Nos
- Directors and executive expenses – no visibility



Seven West Media situation

- Enormous damage to Seven brand
- Should have settled – still may do in period ahead
- Shows weakness of old school dominant controlling chair
- Social media very hard to control
- Super-injunctions never work – also not telling ASX enough
- Media sense the injustice – want the CEO out
- Stark contrast with QBE situation
- Amber Harrison will run for the board if not settled
- Directors like Sheila McGregor should walk and talk



WA mining tax situation

- Lucky ALP landslide stopped Nats balance or power
- Extraordinary split between Libs and Nats
- Rio and BHP wise to run it through WA chamber
- Much smaller scale than battles over RSPT
- Be wary of too much gloating after the event
- Issue of WA state debt and huge miner wealth will stay
- Clive Palmer, Twiggy Forrest and Gina don't help
- Negligent of Rio Tinto not to domicile in Australia



The battle in financial services

- Interesting move hiring Anna Bligh and Mike Baird
- Journalist Adele Ferguson had landed a lot of blows (CommInsure, "Banking Bad", wage fraud etc)
- ASIC getting tougher, talk of stronger penalties
- Minimal sanctions against execs, hence pay strikes
- Turnbull turns to grilling the Big Four CEOs
- Financial services donations one to watch
- Banking services still too expensive in Australia



When 4 Corners went business

- James Packer's China problems – *March 2017*
- Spending billions on vitamins/supplements – *Feb 2017*
- Salmon farming under the pump – *October 2016*
- Farmers being milked dry – *August 2016*
- Women sold false hope by baby industry – *May 2016*
- Corporate political donations – *May 2016*
- Are supplements safe? – *May 2016*
- The Panama Papers – *April 2016*
- Money for nothing with CBA's Commlnsure – *March 2016*



The contradictions of Trump

- Ultimate wealthy insider elite businessman
- Anti-trade, anti-establishment and nationalist rhetoric worked
- The globalists, including multi-nationals, are on the defensive
- Happy to jaw-bone corporates on Twitter
- You rarely win long term going to war with the media
- Won't end well, given scale of scrutiny, undeliverable promises, dedicated enemies and endless inaccuracies



Final messages

- Establishment under the pump, inequality the key
- Trust eroded by power abuse, vested interests, secrecy
- Benefit of jobs, wealth and sustainable growth the key
- Be as transparent as possible and don't exploit anyone
- Work traditional media and be nimble with social media
- Consult widely and innovatively (ie citizen juries)
- Have exemplary governance and ethical culture from top
- Don't be openly partisan, but be seen in public (ie Q&A)