



## MEDIA ALERT: 21 May 2013

**Graeme Nuttall, the mastermind behind the UK government's promotion of employee ownership and author of the eponymous government review, to speak at a conference in Sydney on Friday, May 24, 2013.**

Employee Ownership in the UK is undergoing a renaissance care of challenging economic conditions throughout Europe. The promotion of the so-called "John Lewis economy" aims to encourage businesses to change their ownership structure and have employees take stakes in the businesses they work for.

**When the Nuttall Review was launched by UK Deputy Prime Minister Nick Clegg, Clegg said:**

*"Employee-owned firms have lower levels of absenteeism, higher productivity and growth rates and smaller gaps between the pay at the top and ordinary workers. But if we want to make employee ownership a larger slice of our economy we have to make it simpler. That's why today I have announced that an Institute for Employee Ownership will be established, that there will be new off-the-shelf 'DIY packs' for companies to adopt the Employee Ownership business model and that we will issue a call for evidence from business and employees on how a right to request could work. These are important steps to help get employee ownership into the bloodstream of the British economy."*

**Who:** Employee Ownership Australia and New Zealand (EOA) - the national organisation formed to promote the greater uptake of employee share ownership in Australian listed companies, startups and small and medium enterprises.

**What:** 2013 Annual Employee Ownership Conference and Awards Night, Friday 24 May 2013 at the Shangri-La Hotel, The Rocks, Sydney.

**Theme:** The conference, "*Productivity and engagement: Sharing success through employee ownership*," will explore key productivity and innovation outcomes of employee ownership in Australia, with reference to international trends from the United Kingdom and US.

**Speakers:** The keynote speaker is Graeme Nuttall, UK Government advisor for employee ownership and Head of Tax and Equity Incentives at European law firm Field Fisher Waterhouse LLP. The UK Coalition Government has adopted all 28 recommendations of the Nuttall review into Employee Ownership that Graeme authored. We will also be joined by Loren Rodgers, CEO of the National Centre for Employee Ownership (USA), and Tony Smith MP, Shadow Parliamentary Secretary for Tax Reform.



### Fast facts:

In the USA there are around 10,900 Employee Share Ownership Plans (ESOPs) employing more than 13 million US employees. In a joint project with the Employee Ownership Foundation, the NCEO found that employee ownership averts a substantial amount of unemployment and saved the US Federal Government over \$23 billion in 2010. Data from the General Social Survey shows that in 2010, for instance, 12.1% of all working adults in the private sector reported having been laid off during the prior 12 months, compared to just 2.6% of those respondents who own stock in their company through a company-sponsored employee ownership plan. This dramatic difference remains even after adjusting for different conditions faced by employee-owners and non-employee-owners.

Well known and highly successful employee owned companies include John Lewis (UK) and Publix (US, retail sales of \$27 billion in 2011 and more than 152,500 employees).

Employee-owned firms have, on average, 4-5% higher productivity than other businesses and the Employee Ownership Index has outperformed the FTSE All Share Index by an average of 10% annually since 1992. The UK Coalition Government is taking action to enable these models to flourish in both the private and public sectors. Employee owned companies make it possible for more people to share the rewards of success.

In Australia, the Federal Parliamentary Enquiry into Family Business has found that the extent to which family businesses will be transferred or closed in the coming decade as a result of the retirement of the baby boomer generation, has stark policy implications for our economy. Employee share ownership is a proven, successful pathway for retiring owners in planning their succession, resulting in both the saving of the business and retention of jobs.

In a review of the tax arrangements for employee share plans the EOA has called for changes to reverse a significant decline in employee ownership in Australia. Our expert panel, which includes representatives from accounting and legal firms, noted that changes were urgently required in order for Australia to keep pace with international trends to increase the level of employee share ownership in the economy.

The conference will conclude with the [ESOP of the Year Awards](#). Award winners last year included Westpac, BHP Billiton and local Western Sydney manufacturing firm C-Mac Industries (which has seen its productivity increase by 18 per cent since assuming an employee-owned structure in 2010).

The full conference program is available from this link: <http://employeeownershipconference.com.au/>.

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Interviews with Graeme Nuttall and Loren Rodgers are available on request.

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We welcome your publication's attendance at the conference. In order for us to cater for you, please advise if you plan to attend the conference by **COB tomorrow, Wednesday 22 May, via return email.**