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Three month delay on politicians' 3% pay increase

The Remuneration Tribunal has awarded federal politicians a 3% wage increase but with a three-month lag before it is paid. It is their first rise since July 2007 after Prime Minister Kevin Rudd last year instigated a 12-month freeze.

The increase is lower than the average 3.9% delivered in federal agreements for the June quarter this year (see [see Related Article yesterday](#)), but still comes at a time when the AFPC in its final decision before being abolished froze the rates of minimum wage earners.

While the Tribunal usually makes its determinations effective from July 1, it has this year delayed the increase until October, reducing its value over the 12 months to 2.25%.

The rise will take backbenchers' base salary to \$131,040 from \$127,060. Rudd will now earn \$340,704, and Deputy Prime Minister Julia Gillard \$268,632.

Under the pay freeze Rudd put in place, there was no catch-up capacity.

The parliamentary base salary is linked to the Remuneration Tribunal's executive office structure, and the increase applies to other public offices in its jurisdiction.

In a [statement](#) on its decision, the Tribunal noted that parliamentarians had demonstrated "a greater level of restraint than most wage and salary earners", and that their pay had been frozen "notwithstanding the continued increases in the remuneration of the SES employees with whom ministers work".

The Tribunal welcomed Special Minister of State, Senator Joe Ludwig's, recently announced independent review of parliamentary entitlements.

Asked by journalists today if she had considered a further freeze, Gillard said that: "We made it clear when wages were frozen for politicians last year we believed that was the appropriate course but generally we accept that the system is that the Remuneration Tribunal, which is independent of government, independent of politicians, makes decisions about wage movements for politicians and makes decisions about wage movements for a lot of key office holders across the public service. They've announced their decision."

But Greens Leader Bob Brown said he would attempt to stall the rise until the economy improved.

"After the Fair Pay Commission refused low-income earners any increase this July, now is not the time for members of parliament to take more," Senator Brown said.

However, acting Opposition Leader Julie Bishop has already indicated she would support the rise, saying this afternoon the increase was awarded by an independent tribunal.

Former CEO can't serve claims in England: Federal Court

The Federal Court has refused leave for the former CEO of an English-based company's Australian subsidiary to serve in London his claims for unpaid annual leave, misleading and

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deceptive conduct and breach of contract.

While the court can under [s59\(2\)\(g\)](#) of the Federal Court of Australia Act make rules for a process to be executed outside its jurisdiction, Justice Peter Gray held that in this case the requirements of [order 8 r 5 \(2\)](#) under those rules were satisfied only in the former CEO's claim under the Workplace Relations Act for unpaid annual leave.

He said that while the CEO's claim for damages under [s52](#) of the Trade Practices Act fell within order 8 r 2, he had not made out a prima facie case. And Justice Gray continued that he had "considerable doubts" as to whether the breach of contract claims fell within the Federal Court rules.

"This being the case, my view is that I should refuse leave sought to serve the amended application and the amended statement of claim on the respondent in England. To serve those documents in their present form would be to visit upon the respondent a proceeding in Australia involving a significant number of claims, with only a small number of those claims justifying the grant of leave for such service," he said.

He continued that although technically the proceeding as a whole might fall within O 8 r 2 of the Federal Court rules, it was not enough to persuade him to exercise the discretion to permit service out of the jurisdiction for the whole proceeding. "To do so would be to allow the tail to wag the dog," he said.

Justice Gray continued that there were two courses of action open to the former CEO. One was to seek leave to again amend his application and statement of claim to confine it to the statutory claims for accrued annual leave, then again apply to serve it on the company in England.

Alternatively, he could make another application "on such material as might make out a prima facie case where the material is presently lacking".

The executive is alleging the company repudiated its contract with him when it demanded he return to England - which he refused to do.

At the time, he was on a base salary of \$269,013 and had entitlements to a car, private health cover, subsidised rent of \$5,633 a month, telephone, and paid trips to the UK.

The man moved his family from England to Australia to take up the position.

[West v TWG Services Limited \[2009\] FCA 1052 \(18 September 2009\)](#)

SDP Lacy off to Christmas and Cocos Islands

AIRC Senior Deputy President Brian Lacy has been appointed as administrator of Christmas Island and the Cocos (Keeling) Islands, a position he will take up on October 5.

In [announcing](#) the appointment, Minister for Home Affairs Brendan O'Connor said Senior Deputy President Lacy had a distinguished career in both private and public service and would bring a "wealth of experience" to the job.

He said he was well-known in the local community at Christmas Island, where his work with the AIRC had taken him

Senior Deputy Lacy, who is 66, was appointed to the AIRC in February 2001. At the time he was a barrister at the Victorian Bar, where he'd been for nine years.

Other positions he has held include the district registrar for the Federal Court and Tribunals Registry in Victoria; and assistant secretary for the IR and arbitration inspectorate division of the Department of Employment and IR.

His early career was in the defence forces, qualifying as an Indonesian translator with the RAAF.

He is the current president of the Victorian IR society.

His new role will include promoting social cohesion and building economic and environmental sustainability on the islands.

Full bench sets program for stage three transitional arrangements

The AIRC's award modernisation full bench has programmed a process for including the model transitional provisions in the 49 stage three modern awards it published last month.

In a [statement](#), the full bench encouraged parties to confer on the stage three transitional arrangements in light of the Commission's September 2 decision on transitional provisions for modern awards made in the priority stage and stage two.

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But, given it was "unlikely" that all matters would be agreed, it scheduled October 23 as the deadline for proposals and submissions; with a November 6 cut-off for written replies.

The bench in its statement said it would deal with transitional arrangements for stage four modern awards in conjunction with the stage four program already announced. The exposure drafts due for publication by September 25 would generally contain the model transitional provisions. Interested parties wanting to comment should file their submissions by October 16.

Meanwhile, the bench also today [announced](#) that it will publish exposure drafts for the stage four modern awards at 10am tomorrow.

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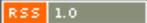
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