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We'll cap bosses' pay: Combet

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A FUTURE Labor government could take control of chief executives' salaries and directors' fees if the High Court upholds John Howard's new workplace laws, **ACTU** secretary **Greg Combet** said yesterday.

Mr Combet said a High Court ruling confirming the power of the federal Government to legislate on minimum wages could also have big consequences for business.

The **ACTU** leader issued the warning as state Labor governments and unions prepared for a court challenge next month against the workplace laws.

Labor and unions oppose a commonwealth takeover of state systems, including the power to set the minimum wage, using the corporations power.

Mr Combet said his preferred option was to hand back responsibility for setting the minimum wage to the Australian Industrial Relations Commission.

But Labor could decide to legislate the minimum wage if the commonwealth was found to have the power, he said.

``If the High Court upholds the use of the corporations power it will be possible to legislate chief executives' salaries and place a cap on them," Mr Combet said.

``It would be possible to legislate the performance standards chief executives are supposed to meet to earn bonuses.

``It would also be possible to legislate directors' fees."

Government limits on executive salaries would be a chilling prospect for business chiefs, who argues that the market should determine remuneration.

But Mr Combet's comments raise potentially wide consequences of the Howard Government's use of the corporations power to take control of industrial relations.

A spokesman for Labor leader Kim Beazley said jurisdictional issues were secondary for Labor, compared with people's wages being cut under the new laws. ``We'll deal with jurisdiction when the High Court rules. At present it's hypothetical."

Workplace Relations Minister Kevin Andrews said some executives' salaries seemed to be exorbitant, but were determined by shareholders. ``Does this mean **Greg Combet** now supports a national system?" he said.

Labor was on the defensive over its proposed overhaul of unfair dismissal laws yesterday after The Australian reported that Mr Beazley had reversed a policy decision to take the laws out of the hands of the AIRC.

A spokesman for Mr Beazley said the Opposition Leader had ``never articulated" that a proposed new tribunal to handle unfair dismissal claims would be separate to the AIRC.

And Opposition industrial relations spokesman Stephen Smith said it was ``nonsense" to say Mr Beazley had backflipped.

Mr Andrews yesterday disputed union claims that the Government was trying to cut the number of public holidays. He said workers could not be forced to work on public holidays under the new laws if they had ``reasonable grounds" not to do so.

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