

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

Outcome 3, Program 3.1

Topic: Airline loyalty points

Question reference numbers: F60a, F60b and F60c

Type of Question: Hansard F&PA 49, 27 May 2010

Date set by the committee for the return of answer: 9 July 2010

Number of Pages: 2

Senator Ryan asked:

a) My point here is that, again, from my limited knowledge of industrial law in Australia, it would probably not mean that one arm of the department would be distinguished from another arm of the department when it came to negotiating purposes or industrial considerations

...I understand that. What I am putting to you, however, is this: that there were some people in the department, which is the employing agency undertaking these negotiations, who knew that at some point it would be under consideration by the department or by the minister.

b) I do not think members' and senators' entitlements has been mentioned once in the last hour. We are talking about staff; there has been no discussion about members and senators at all. Ms Mason, my understanding is that under the Better Off Overall Test—BOOT—which comes under the government's new IR laws, it only takes one worker to be worse off for the agreement to fall. Is that correct? Is my understanding of the law correct or not?

c) Minister, as the minister responsible for the staff agreement, were you aware of the moves to end frequent flyer points?

Answer:

a) Certain Finance employees were aware of both the Whole of Australian Government Travel arrangement negotiations and the negotiation of an enterprise agreement for employees under the *Members of Parliament (Staff) Act 1984* (MOP(S) Act). However, there was no good faith bargaining obligation to disclose this information to MOP(S) Act employees as the content of the Whole of Australian Government Travel Contract negotiation was confidential commercial information and no outcomes from the negotiation of travel contracts had been finalised.

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

- b) The *Fair Work Act 2009* (FW Act) provides that each employee must be better off overall under an enterprise agreement. To pass the Better Off Overall Test (BOOT), each award covered employee must be better off overall under an agreement when compared to the employee being covered by the relevant award. Therefore, if a single employee would be worse off under an enterprise agreement, then the enterprise agreement would not pass the BOOT. Accordingly, airline loyalty points would not have been considered in the BOOT for the *Commonwealth Members of Parliament Staff Enterprise Agreement 2010-2012* (Enterprise Agreement), as none of the awards that may apply to employees covered by the Enterprise Agreement provide for an entitlement to accrue or use airline loyalty points.
- c) The decision to include parliamentary travellers in the Whole of Australian Government Travel Contract had not been made when the *Commonwealth Members of Parliament Staff Enterprise Agreement 2010-2012* (Enterprise Agreement) was approved by Fair Work Australia (FWA).