

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Agency - Fair Work Australia

DEEWR Question No.EW0247_12

Senator Abetz asked on 30/05/2011, Hansard page 22.

Question

Requirement For FWA To Take Into Account Productivity Offsets

Senator ABETZ: [...] Under the regime and legislation of Fair Work Australia, in determining wage increases et cetera is it a legal or statutory requirement that Fair Work Australia take into account productivity offsets? Mr Lee: I do not sit on the full bench but I can go to the legislation to determine whether or not that is the case. Senator ABETZ: If you could take that on notice for us. I do not want it to be a memory test today, so that is fine.

Answer

Fair Work Australia has provided the following response.

Paragraph 134(f) of the *Fair Work Act 2009* provides that modern awards, together with the National Employment Standards, provide a fair and relevant minimum safety net of terms and conditions, taking into account, among other considerations:

- (f) the likely impact of any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden.

Sub-section 284(a) of the *Fair Work Act 2009* provides that Fair Work Australia must establish and maintain a safety net of fair minimum wages, taking into account among other considerations:

- (a) the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth.