

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: 1.1.1 – Domestic Policy
Topic: Fair Work Australia equal remuneration decision

Senator: Siewert

Question reference number: 24

Type of question: Hansard, p 95, 23 May

Date set by the committee for the return of answer: 8 July 2011

Number of pages: 2

Question:

Senator FIFIELD: Could you take the committee through your understanding of the possible implications for the not-for-profit sector of the decision.

Mr Ronalds: I am happy to. Essentially, the decision depending on how the next stage proceeds could obviously have a fairly significant impact for the wages paid to a very large number of employees in the sector. That will obviously flow through to the overall costs of providing programs and that is going to be a fairly significant issue for not-for-profits.

Senator FIFIELD: Do you expect that your advice on this issue would continue to be sought by the government?

Mr Ronalds: The advice of the Department of the Prime Minister and Cabinet, of which the office is a part, would continue to be sought, yes.

Senator FIFIELD: I will wait to hear the response to the questions you have taken on notice.

Senator SIEWERT: Was any consideration given in the budget to budgeting for the impact this is going to have on the not-for-profit sector?

Mr Lewis: We do not discuss the details of what was in the budget or the deliberations that went into those final results. I am sorry; we cannot take that question.

Senator SIEWERT: Let me phrase it in another way: what consideration has the office taken in terms of what impact this will have on the not-for-profit sector when they are having to pay significantly higher wage bills and the impact that will have on the contracts they have with government and the services they are expected to deliver under those contracts?

Mr Lewis: The officer has given an answer with regard to the offices' initial reaction and the impact they think that legislation has. He has said that he will take further detail on notice, and we will that do

Senator SIEWERT: Can you take that on notice, please.

Answer:

Fair Work Australia (FWA) is yet to make a final decision in the Social and Community Services (SACS) Sector equal remuneration case. Should FWA make an equal remuneration order in deciding the case, some SACS providers may have higher wage bills depending on the quantum of the wage increase awarded and the current wage rates paid by providers relative to the award.

The Government has established the Community Sector Wages Group (CSWG) to examine how to manage the potential implications of pay increases which may be awarded by FWA in the case. The CSWG is chaired by Senator the Hon Jacinta Collins, Parliamentary Secretary for Workplace Relations, and is comprised of representatives of the Australian Government, the SACS sector (including the Australian Council of Social Service and not-for-profit organisations), the ACTU and industry unions and state and territory governments. The CSWG met for the first time on 6 June 2011.