

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

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

Agency - Fair Work Australia

DEEWR Question No.EW0246_12

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

Question

Individual Flexibility Agreements And Non-Monetary Components

Senator ABETZ: Does Fair Work Australia have a rule that an individual flexibility agreement cannot be judged or determined if there is a non-monetary component in it because it is impossible to judge whether a person will be better off if there is a non-monetary component in it? Is that correct? How do IFAs get dealt with by Fair Work Australia? Mr Nassios: I am not exactly sure. I would have to take that one on notice.

Answer

Fair Work Australia has provided the following response.

Modern awards and enterprise agreements must include terms that enable an employee and employer to vary the effect of certain terms of those instruments to meet the genuine needs of both parties by entering into an individual flexibility arrangement (IFA).

Terms about IFAs in both modern awards and enterprise agreements provide an onus on the employer to ensure that the terms of the arrangement are about permitted matters, are not unlawful and result in the employee being better off overall than the employee would be if no arrangement was made.

IFAs are not approved by Fair Work Australia. Fair Work Australia's role is to ensure that the flexibility terms of modern awards and enterprise agreements meet the requirements of the *Fair Work Act 2009*.