

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
LEGISLATION COMMITTEE**

**2006-2007 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING  
2<sup>ND</sup> NOVEMBER 2006**

**EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

**QUESTIONS ON NOTICE**

**AUSTRALIAN FAIR PAY COMMISSION SECRETARIAT**

**Outcome 1: Set federal minimum and classification wages to promote the economic prosperity of the people of Australia**

**Question Number: W517-07**

**Question:**

Senator Wong asked in writing:

**Fair Pay Commission - AIRC v AFPC** Mark Vaile said that Australians deserve a better system of wage setting than the arbitrary claim and counter claim of the old system where there was no guarantee of any increase. Is there a guarantee in WorkChoices that the AFPC will (a) grant increases and (b) with any regularity of review, as the former system had the principle of no increases for 12 months from the previous increase?

**Answer:**

The *Workplace Relations Act 1996* provides a range of guarantees in relation to the adjustment, creation and abolition of Australian Pay and Classification Scales.

- Subdivision B--Guarantee of basic rates of pay
- Subdivision C--Guarantee of casual loadings
- Subdivision D--Guarantee of frequency of payment
- Subdivision E--Guarantee against reductions below pre-reform commencement rates
- Subdivision F--The guarantee against reductions below Federal Minimum Wages

The Workplace Relations Act does not guarantee that the AFPC will grant wage increases.

Section 24 of the Workplace Relations Act states that the AFPC may determine the timing and frequency of wage reviews.