

Ministerial Statement of Expectations

Fair Work Commission

The Australian Government agreed to portfolio Ministers issuing a Statement of Expectations to their portfolio agencies. A Statement of Expectations enables Ministers to provide greater clarity on the objectives and priorities of the deregulation agenda relevant to portfolio agencies.

The Fair Work Commission is Australia's national workplace relations tribunal as established in the *Fair Work Act 2009* (the Act). The Fair Work Commission is an independent statutory body as prescribed under Section 583 of the Act. The Fair Work Commission is responsible for maintaining a safety net of minimum wages and employment conditions as well as a range of other workplace functions and regulations.

The Fair Work Commission is encouraged to be mindful of the Government's approach to regulation, to the extent that the Fair Work Commission has discretion in conducting and exercising its regulatory and administrative functions, consistent with the Government's deregulation agenda. However, regulatory impacts related to the administration of justice through decisions of tribunals are excluded from the scope of the deregulation agenda.

THE GOVERNMENT'S DEREGULATION AGENDA

The Government is committed to reducing red tape for business and the community as part of its broader objective of improving Australia's productivity. It has committed to reduce regulatory compliance costs on business, community organisations and individuals by at least \$1 billion a year.

The Government expects that the Fair Work Commission will:

- look for opportunities to reduce compliance costs for business, community organisations and individuals and to contribute to the Government's annual red tape reduction target
- act in accordance with regulatory best practice in its decision-making, policies, processes and communication practices to maximise transparency and minimise compliance costs
- seek to balance the effort of complying with the outcomes and benefits of regulation, in any instance where regulation is deemed necessary
- comply with the enhanced Regulatory Impact Statement requirements as outlined in the *Australian Government Guide to Regulation* and in accordance with other material issued by the Department of the Prime Minister and Cabinet
- consider adopting a risk-based approach to compliance obligations, engagement and enforcement allowing for proportionate approaches suited to the risk of regulated entities
- use international standards and risk assessments where appropriate and in accordance with guidance material issued by the Department of the Prime Minister and Cabinet

- apply the Regulator Performance Framework to its regulatory functions to assess its performance and engagement with stakeholders and make results publically available. Only the Commission's administrative functions will be captured under the Framework
- consider the specific impact of a regulatory proposal on small business in its decision-making process.

RELATIONSHIP WITH THE DEPARTMENT OF EMPLOYMENT

- The Department of Employment supports and advises the Employment portfolio Ministers in its responsibility as the primary source of advice on policy development and the performance of the portfolio's regulatory systems.
- The Minister expects that the department and Fair Work Commission maintain a collaborative working relationship to communicate the objectives of the deregulation agenda and to report progress on regulatory reforms delivered by the Employment portfolio to the Government.
- The Fair Work Commission should work closely with the Deregulation Unit to advise the Minister of regulatory reform opportunities and of the implications of the Government's policy initiatives on the regulatory framework. The department takes into account the knowledge and expertise of the Fair Work Commission when considering changes to policy and legislation that impact on the maintenance of employment conditions and minimum wages