

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2004–05 budget estimates

Melbourne – 16 June 2004

Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

Mr L. A. Donnellan

Mr B. Forwood

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Witnesses

Mr R. Hulls, Minister for Industrial Relations;

Mr P. Harmsworth, secretary; and

Mr G. Vines, deputy secretary, industrial relations, Department of Innovation, Industry and Regional Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearings on the budget estimates for the portfolios of Attorney-General, industrial relations and WorkCover. I welcome the Honourable Rob Hulls, Attorney-General, Minister for Industrial Relations and Minister for WorkCover; and Mr Peter Harnsworth, secretary; and Mr Greg Vines, deputy secretary, industrial relations, Department of Innovation, Industry and Regional Development. I also welcome departmental officers, members of the public and members of the media.

In accordance with guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the minister's side of the table during the hearings. Members of the media are also requested to observe the guidelines for filming or recording of proceedings in the Legislative Council committee room. All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript early next week.. Minister, over to you for a brief presentation.

Overheads shown.

Mr HULLS — Thank you very much for having me here. It is great to be here. We have some slides on industrial relations, and if we quickly run through them it will not take any more than 5 minutes. As you can see, output groups in relation to IR are made up of two output groups. A review of IR following the 2002 election determined that this structure was the best to meet the government's election commitments. There is the IR policy group responsible for policy development in the public and private sectors. Its budget for 2004–05 is \$5.7 million. Secondly, the IR services group has responsibility for providing information to employers and employees on long-service leave and child employment, as well as providing services to outworkers and those who engage them. It also provides strategic advice in relation to the Commonwealth Games. The budget for 2004–05 for that output is \$8.9 million.

The next slide is key achievements. They are basically listed there, but we implemented new legislation to ensure fairer workplaces. The Federal Awards (Uniform System) Act referral of power to the commonwealth I think marks a pretty important step in developing a truly unitary system of industrial relations, and the outworkers legislation implemented I believe much needed protection to one of our most disadvantaged groups of workers. Child employment legislation has now been implemented. Industrial Relations Victoria represented the state before the Australian Industrial Relations Commission in major test cases. We also facilitated the implementation of the government's public sector wages strategy. IRV, under the leadership of Greg Vines, provided policy advice in respect to the government's wage strategy. The Building Industry Consultative Council worked cooperatively to develop a Key Challenges Initiative report, which identifies a number of key challenges in the building industry in Victoria. It includes industry image, skills development, and of course industrial relations. It will be working on those projects over the next 12 months. The Victorian Ethical Clothing Trades Council was set up and also our agenda for work and family balance. IRV is taking a lead in relation to that.

The next slide deals with key initiatives for 2004–05. You can see Partners at Work. We are committed as a government to encouraging cooperative and constructive industrial relations developments that improve workplace practices and productivity, and Partners at Work is a competitive grants program designed to promote workplace change to benefit all stakeholders.

Workplace excellence awards showcase Victorian workplaces where management and staff are working in partnership to achieve real results. Eleven enterprises reached the finals in the 2003 awards. I was there to present the awards. It was a big night. They included small, medium and also large workplaces across a range of industries from the private and public sectors. Federal common rule awards is there, and also Work-Life Balance which I have already touched on.

In summary we want to advocate much better industrial relations frameworks in Victoria, promote reform with the federal act, including good faith bargaining by way of the 10-point plan, which some of you may have heard about. I am not sure, but I am more than happy to talk about that at length if you so desire. We also want to help ensure that all Victorian employees have access to federal award minimum conditions. We want to provide advice to potential investors. I guess one of the challenges for IRV in 2004–05 regarding investment attraction is to reassure

investors, both interstate and internationally that the IR environment in Victoria is conducive to business investment at a globally competitive level. We also want to promote innovative workplace practices, continue our workplace excellence awards and Partners at Work program, and we want to have cooperative public sector industrial relations and continue our partnership approach to public sector industrial relations, ensuring fair and sustainable outcomes. That is a snapshot of what we have done and what we will be working on over the next 12 months.

The CHAIR — Thank you very much. I refer to budget paper 3 and budget measures dealing with better work and family programs, public sector policy advice and representation of the government in major test cases. Could you explain to the committee how the government is using these leaders to better deliver a work-family life balance for Victorian workers and employers and key performance indicators or performance measures that assess that?

Mr HULLS — I guess on the one hand it is a bit odd for politicians to be talking about work-life balance because most of us struggle to get it right, and having a now 16-month old son I have to say it is a struggle, but it is important, nonetheless, that as members of Parliament we try to take the lead on what is a very important issue. In fact it is one of the biggest issues facing employees and businesses right across Australia.

Our Prime Minister, as you know, referred to work-family balance as a barbecue stopper, as I recall, or some would say he has left the barbecue and taken the sausages with him. In contemporary Australia, with the diverse range of families and employment arrangements and the variety of expectations on this issue, workers want options that best fit their individual circumstances, and this means that there is no one-size-fits-all solution to ease the burden for workers and their families. That does not mean we should bury the issue in the too-hard basket.

As a government we have shown leadership by developing a multidimensional response to work-family balance. As an employer we have shown leadership. In fact the Victorian public service has policies which provide in the next two years for 14 weeks paid maternity leave, and by agreement between employer and employee the employee can have an additional eight weeks leave. The additional weeks away from work and the loss of income is averaged out over the year. This enables employees, particularly new mums, to have the flexibility they need to balance both their work and family commitments. These measures and other flexibilities, I guess, are designed to make it easier for government to attract and keep the best and brightest employees.

We also are using the work and family grants to encourage particularly small and medium-sized businesses to come forward with ideas to promote work and family balance. We are deliberately targeting small to medium-sized businesses because they do not often have the time nor do they have the resources to think about work-life balance. Their businesses have the cost and inconvenience of training new staff because they do not have the policies to keep existing staff. Already a number of projects are under way and we hope to use them as role models for other businesses.

We have also taken a lead in drafting the state and territory submission to the work and family balance test case which is currently before the AIRC. We have in our submission urged a number of cost-effective techniques to encourage workers to enter and stay in the work force. It is a matter of getting the balance right, and we believe we have done that. Chief among the recommendations — and I will conclude on this — is a right for an employee to request and an employer obligation to consider and not unreasonably refuse part-time work, variation in hours, times or physical location of work to enable the employee to balance their work and family commitments.

In summary, the government has looked at every opportunity to promote work and family balance. I think we have shown leadership in our own employment practices and we use grants, research opportunities and the industrial relations commission test cases to contribute to what is an important debate, and one that will not go away.

Mr FORWOOD — I would like to ask a general question about the output groups, and perhaps to get some of the detail you might need to take this on notice. You have two output groups. Industrial relations services has gone up from an expected outcome of \$8.2 million this year, which is \$900 000 more than budget so I would like to know why that is, and it has this year gone up by another \$700 000. I would like to know what the programs are. If I could have a list of the programs you spend the money on and the number of people who work in the services area that would be useful. In relation to the industrial policy group, you will note that this year it has gone from \$4.1 million to \$5.7 million. That is a helluva lot of money to spend on policy and is an increase of

\$1.6 million. Perhaps you could advise the committee of what policy issues you are spending the \$5.7 million on. Again I would like to know the number of staff who work in the area and the projects, if you could do that.

Mr HULLS — I am happy to do that and get you a full list in relation to those matters and how the money is being spent. In relation to policy and to outputs generally, the issues to which you referred, we have reviewed all our outputs and found that some of the measures were not effective. The IRV services output performance measure of ‘education and communication strategies deployed within agreed time frames’ has actually been replaced with a target of 7000 against the measure ‘respond to general workplace inquiries’. This new measure reflects a core responsibility to advise on key residual state industrial relations laws, amelioratory industrial relations laws.

The IRV services output target for industrial round tables and forums has been discontinued in 2004–05. This output was delivered primarily by the strategic industry group which has been disbanded under the new IRV structure. I recall telling this committee last year that there was a review of IRV. That strategic industry group was disbanded. Although this type of service is not consistent with some of the new objectives of IRV, the IRV policy output for the provision of industrial relations briefings has been discontinued as a separate measure in 2004–05 and has been incorporated within the measure for ministerial satisfaction. There has been some change in outputs, but in relation to the specific dollar costing I am more than happy to take that on notice and get it to you.

Mr MERLINO — Given the government’s stated aim in budget paper 3 at page 148 of developing an IR policy and legislative framework that promotes fairness, can you advise the committee of progress in the government’s policy to bridge the gender pay gap?

Mr HULLS — This is a huge issue, and I guess more than 30 years after the IRC settled on the doctrine of equal pay for equal work it defies belief to some of us that pay equity still eludes us. In fact female average ordinary time earnings remain 17 per cent less than male average ordinary time earnings. In dollar terms this translates to \$174 a week, and for middle to low-income earners this margin, as we would know, can either make or break a household budget. Pay equity in my view is not just about justice and a fair go, as important as these things may be. It is also about improving staff morale and also retention, about getting the right person into the job and providing them with a fair reward, irrespective of their gender.

The Victorian government employs about 29 000 employees, and it has an opportunity to get its house in order and show some leadership on this issue. The public sector’s wage equity pay gap of 13 per cent is significantly better than the 19 per cent gap in the private sector, but it is far from good enough, particularly as 58 per cent of those in our work force are women. Effective from November 2003 we introduced a classification structure designed to promote gender pay equity. We replaced what was a fairly flat career structure that provided very little opportunity for progression between or within bands to one that provides a genuine and transparent career path.

We have also commissioned a pay equity inquiry. The inquiry will provide a very important snapshot of pay equity in Victoria and recommend further steps that we can take to narrow the gap. This inquiry will consolidate the work done in Australia and overseas. It will look at how pay equity has been dealt with by the industrial relations commission. It will consult key stakeholders and the like. It will also look at success stories where government business and unions, both here and overseas, have had successful inroads to address pay inequity. It is important that we learn from these success stories and promote any substantial initiatives that can address this imbalance.

The trend in Victoria over the past 20 years has been for the equity gap to close at 0.18 percentage points per year. That is how slow it is — it is closing at 0.18 percentage points a year, so if things continue along that path it will take 73 years before the gap is closed. I suppose that is like waiting for Geelong to win its next grand final, and as a Geelong supporter I say that we cannot wait that long. So it is important that we take a leadership stand on this issue, and that is why the pay equity inquiry is so important.

Mr CLARK — I refer you to an article in today’s *Herald Sun* reporting on Australian Bureau of Statistics figures that were released yesterday on industrial relations matters amongst other things. The article quotes your spokesperson, Jane Wilson, as agreeing that more has to be done to reduce industrial disruption in Victoria. Yesterday’s ABS figures simply confirm more recent figures which also indicate that Victoria has probably the worst rate of industrial disputes of any state in the nation. Do you agree that more needs to be done to improve the industrial relations situation in Victoria? Do you believe the changes to essential services legislation that the government recently announced will have a significant effect, and if so, what in particular in those changes is being done that you believe will improve the industrial relations climate?

Mr HULLS — In relation to the figures — and there were some figures in today's paper — they show that 45 days were lost per 1000 employees. I will say a couple of things about that. As you know we operate under the federal government's industrial relations laws, but having said that, those figures confirm that there has been significantly less industrial disputation under this government — 45 days per 1000 employees, the latest figures. But for the 12 months ended September 1999 — the last year of the Kennett government — 108 days were lost per 1000 employees. In December 1998 it was, 108 days were lost, so obviously I need to caution members about the dangers of looking at one month's or one quarter's figures in isolation. To illustrate that, in Victoria the total number of working days lost for December 2003 was 3700, accounting for only 9.8 per cent of the total working days lost across Australia in December. In New South Wales in that month it was 76 per cent of the days lost. Compare that to August 2003 when around 450 days per 1000 employees were lost due to disputes in Victoria. So it is true that the figures jump around.

Do I think more could be done? Of course I do. It is important that we do what we can to continue to promote cooperative workplace relations. If you look at a broad overview of the building industry, for instance, building approvals in this state reached an all-time high of \$14.4 billion for the 2003 calendar year, a rise of 4.6 per cent on 2002. That level of expenditure is certainly evidence of the health of Victoria's construction industry, which is active, robust and supports over 186 000 employees. We believe our approach to industrial relations has been successful, reducing work days lost to industrial disputes by 30 per cent in 2003 from the 1999 levels, but I repeat that more can be done. One mechanism for maintaining the relationship between government and industry is the Building Industry Consultative Council, which comprises employer organisations, unions and also government. We have a pretty passionate commitment to promoting cooperative workplace practices. In my view that is in contrast to the federal government's approach, which under the federal Workplace Relations Act promotes strikes and lockouts as, in effect, the only way to resolve disputes. We say there are better ways and that is what our 10-point plan is about.

You asked about the essential services legislation. I have pointed out a number of deficiencies in the federal Workplace Relations Act that have increased the number of long and intractable disputes. The industrial relations commission's powers have been drastically gutted promoting strikes and lockouts as the only way to resolve disputes, and that is not just my view. I have met with a number of employers and said to them, 'It appears to me under the federal Workplace Relations Act that strikes and lockouts are the main way to resolve disputes'. They have said to me, 'No, not the main way, the only way', and that is a real problem.

Our economic statement that you referred to commits the government to legislate to increase certainty by consolidating the state's emergency powers under the framework of a new emergency powers act. As I am sure you are aware, the current hotchpotch of legislation attempts to cover essential services, and we want to consolidate that into one act, providing clarity, consistency, transparency and certainty. Currently, there are nine separate acts dealing with emergency situations. The main ones are the Essential Services Act, the Vital State Industries (Works and Services) Act, the Fuel Emergency Act, parts of the Electricity Industry Act and the Gas Industry Act. There are significant inconsistencies between all of those acts. For example, what triggers the implementation of the legislation actually differs from one act to the next. In my view having nine acts is confusing to business and employees, and consolidating all the legislation under one act will provide certainty for business and help attract further investment into this state. So yes, I agree more needs to be done. Yes, I understand the figures you have quoted to me. I believe we are on the right track to promote cooperative workplace relations, and if you have a look at those figures compared to 1999 there has been a huge drop in industrial disputes in this state.

Ms ROMANES — On page 149 of budget paper 3 there is reference to the government's aim of developing a fair system of industrial relations for all Victorians. Can you advise the committee of the government's progress in this area?

Mr HULLS — I reckon it has been a pretty big year for industrial relations in Victoria. If I say so myself there has been a quiet revolution taking place in industrial relations — —

Mr FORWOOD — It is all the poor people who cannot get their electricity connected.

Mr HULLS — Quiet and me are not necessarily things that go hand in hand — —

Mr FORWOOD — That I agree with.

Mr HULLS — But two important acts have commenced operation, and the federal government has finally passed legislation to accept our referral of common-law powers. After a fair bit of prevarication the federal government finally agreed to accept our referral on terms which convinced us that our aim of delivering a fair safety net of wages and conditions for all Victorian workers would be met. This means that over 350 000 Victorian workers who were left on an industrial relations scrapheap will now be able to access federal award coverage from 1 January 2005. Applications have already been made to the AIRC to extend the coverage of a number of key awards and I understand that hearings will be held on 3 August.

I am pleased to say that these reforms have widespread support. They were supported by the opposition in the house and also supported by key employer groups, who are keen to see an end to the unfair two-tiered industrial relations system that existed in this state for far too long. I have given instructions to Greg and to IRV to work with all parties, including the commonwealth to ensure that employers, employees and unions fully understand and are able to implement the new system. The Victorian government is also likely to intervene in early test cases, as I suspect the AIRC will seek guidance as to common-law awards being made and also varied.

Important new protections for the state's outworkers commenced operation on 1 November 2003, and they include provisions deeming contract outworkers to be employees for certain conditions and providing them with an easier mechanism to recover entitlements. We have employed two bilingual officers to assist and advise outworkers and employers in the industry, and they have been pretty active in the community. One of the key planks of that legislation was the establishment of the Ethical Clothing Trades Council, which met for the first time in March this year. I was delighted, and I am sure we were all delighted, that Bill Kelty agreed to chair this council, which is made up of experienced representatives from the community, the union movement and employer groups. The council has a number of functions, including monitoring compliance by the industry with respect to outworker entitlements, promoting the adoption of voluntary agreements such as the home workers code of conduct, and advising me at the end of the year whether or not a mandatory code should apply to the industry.

The protection of children in employment has certainly been a priority for this government, and the Child Employment Act commenced operation just last week on 12 June. This act applies to kids under the age of 15. It should be remembered — and I know there have been some politics played in relation to this, but let us not kid ourselves — it was the Bolte government that introduced in 1970 the employment permit system. It needed an update, and that is exactly what we have done. One of our passions in industrial relations is to create a fair system of industrial relations for Victorian workers and employers, and this year our focus is going to be on labour hire with our labour hire review and our push for some national consistency when it comes to long service and a long-service standard, as well as ensuring the effective implementation of the legislation I have just outlined.

The CHAIR — Thank you, Minister. Could you take it on notice to provide the committee with the number of those inspecting the outworkers? You said there were two bilingual workers, and I am curious to know what percentage of your team is bilingual.

Mr RICH-PHILLIPS — I take you back to the issue of the consolidation of emergency powers you spoke of earlier. Can you tell the committee under what circumstances and on what criteria the government would envisage using those consolidated powers. For example, we have the long-running ETU dispute, and I know from my own electorate there are companies that have been waiting months to get electricity connected, and they are paying a fortune hiring generators et cetera. It is actually putting jobs at risk, as they have to pay \$50 000 a week to run diesel generators because they cannot get the power connected. It is having a real impact on business. Is that the sort of scenario in which the government would intervene under this proposed consolidation of emergency powers?

Mr HULLS — As I said in my original answer, we are going to make this legislation more transparent and more user friendly. In relation to the specifics of what you have asked, first of all we have to remember that industrial relations and bargaining in this state take place within the framework established by the Workplace Relations Act. I have said that encourages an adversarial approach, but we believe that the conduct of industrial bargaining is fundamentally a matter for industry parties, and we believe the approach we have taken has been successful. Enterprise bargaining is essentially a matter for the parties involved. We have continually urged, as you know, the federal government to amend its Workplace Relations Act to require parties to bargain in good faith and to give the AIRC more powers to resolve disputes.

As part of the question you have really asked and as part of the business statement, recently we asked the federal government to give us power as a government to apply to the AIRC to suspend or terminate bargaining periods

where industrial action is threatening the economy or the welfare of the population. As you would know, only the federal minister or the parties to a particular dispute actually have this right. You ask which actual specific disputes we would use that power in relation to. Like any state government, we make a judgment call on which matters we would get involved in. Despite our limited powers to date, I believe we have had a fair amount of success in bringing parties together around the negotiating table to resolve their differences.

You spoke about the power sector and enterprise bargaining in that particular sector. The latest dispute in the electricity industry is further evidence of the need for amendments to be made to the Workplace Relations Act and further evidence that cooperative industrial relations is the way to go. I know that the Minister for Energy Industries, Mr Theophanous — I do not know if he has been before this committee yet — played a very important role in showing how cooperative industrial relations can work. He was able to sit all the parties around the table. Yes, it was mooted that the government was going to move to use emergency powers under essential services legislation; he was able to get the parties to sit around the table, and that matter ultimately was resolved. But that does not mean that parties are not operating under a regime which allows protected action to be taken on the one hand and lockouts to occur on the other hand. Until we fundamentally change the character and the underlying philosophy of the Workplace Relations Act we are still going to have protracted disputes.

It is important that we consolidate this legislation to allow us, as the greatest user of the federal Workplace Relations Act of all the states, to intervene where appropriate. The government will look at this on a case-by-case basis, as it does now in relation to its emergency powers, but the greater focus should be on a cooperative approach to industrial relations. Simply standing around with a big stick and saying, 'Unless you do this, we are going to hit you over the head', is not the right way to go. As you know and I know, all disputes are resolved ultimately; it is a matter of whether or not they are resolved with goodwill or bad blood. If you can resolve disputes with a fair amount of goodwill, it has a positive impact on the long-term future viability of a particular company.

Mr RICH-PHILLIPS — The nub of the question, though, is when will you use the big stick? What criteria does the government apply to deciding whether it will use the big stick, whether it be the existing raft of legislation or whether it be your new consolidated bill?

Mr HULLS — We will be consolidating the nine pieces of legislation, and we will ensure that if an emergency situation arises where the viability of the Victorian economy is being adversely impacted upon, that legislation can be used. But it is a matter of consolidating the current legislation. Apart from anything else, it appears that some aspects of the current legislation may well be in breach of the federal Workplace Relations Act and may well even be unconstitutional, so it is important that we update the legislation, modernise it and make it far more transparent.

Mr DONNELLAN — Budget paper 3 refers to services in relation to investment attraction, and my question is: what services have been developed to attract investors to Victoria?

Mr HULLS — In order to get investors to come to this state you have to get the right environment. It is very easy — I know Mr Forwood smiles when I talk about industrial relations — —

Mr FORWOOD — Saizeriya is the one that comes to mind every time.

Mr HULLS — It is very, very easy to get a bad news industrial relations story on the front page of the *Herald Sun* or the front pages of the papers.

What people forget is that something like 98 per cent of enterprise bargaining agreements are resolved without any fuss, with a lot of goodwill, but you do not see that on the front page of the papers. What you do see are the very limited number of bad news industrial relations stories. Does that have an adverse impact on the view that investors hold about industrial relations in this state? Yes, of course it does. There is a real image issue that needs to be addressed.

Mr FORWOOD — And a competence issue!

Mr HULLS — Often in politics the image and the reality are two different things. Sometimes the reality and the image are the same thing, but often they are not, and with industrial relations the reality of industrial relations in this state and the image are quite different.

Mr FORWOOD — Tell that to Patricia Baleen and see what they say!

Mr HULLS — I am telling it to you. The image needs to be addressed. I repeat: industrial disputes have fallen dramatically in this state. We have a building industry that is thriving. I believe the investment picture is looking good. Building approvals are at an all time record at \$4.4 billion for the 2003 calendar year — rise of 4.6 per cent on 2002.

The policy development in this area has been based on valuing the importance and effectiveness of industry feeding ideas to government. Everyone would agree that no-one is better placed than the experts in the field to identify what some of the problems are and how they need to be addressed. In stark contrast to the federal government, which believes the big-stick approach is the way to go in industrial relations, we take a different approach.

We have set up the Building Industry Consultative Council. Major industry players on both sides of the industrial divide and probably both sides of the political divide are represented, including major Australian builders like Balderstone Hornibrook, Multiplex Corporation, Grocon, the Master Builders Association, the Master Plumbers Association and unions. I have asked this body to take up the challenge of identifying and more importantly addressing the major issues confronting the building industry. They have responded in a very positive way. They have identified a number of key projects, and the first project is the issue of image of the industry. They want to develop a matrix of measures to identify and promote areas where the Victorian building industry does have a competitive advantage. Examples could include cost, planning processes and so on. They want to improve the image of the industry and make it more attractive to investors. Other areas of the matrix may identify areas where the industry can improve, and the Building Industry Consultative Council will work on those areas.

The second project involved improving the skills of those working in the industry, and through this process the BICC has identified the training of front-line managers as an area that needs improvement, and they will be doing work on that. The last project looks to improve industrial relations generally in the industry by looking at best practice dispute resolution clauses that can be used to identify and resolve issues before they become IR disputes. So these three key projects are a start, but all industry stakeholders are on board.

Mr BAXTER — You have several times mentioned this morning the Child Employment Act, and you referred to its antecedence being with the Bolte government of 1970. It is drawing a fairly long bow to suggest the new act bears much resemblance to the 1970 act, but I note there have been advertisements appearing in the rural newspapers, and I have one here from the *Weekly Times* of 26 May, advising of the commencement of the act. Could you come back to the committee with the cost of those advertisements, but more particularly my question is: why was the text of the advertisement couched in such a peculiar fashion? Why did it not positively set out what the act requires? For example, it says that permits will no longer be required for children working in a family business. Bearing in mind that there has never been a permit issued for a child working on a farm since the 1970 act came into being, why was this such a confusingly worded advertisement?

Mr HULLS — You say it was confusing; I do not agree. I will get back to you in relation to the cost of those ads — I am happy to do that. Permits were required for family businesses in a large number of instances, and they will no longer be required.

You spoke about the Bolte Liberal government and drawing a long bow. We have to remember that the act does update the child employment permit system that was introduced in 1970 by the Bolte Liberal government. It also introduces some important new protections for kids who are working and are under the age of 15. We do not shy away from the fact that the legislation also introduces police checks for employers and in some cases direct supervisors. These initiatives did receive widespread support in the extensive consultation phase of the legislation. Police checks, as you know, do not apply to members of the extended family, which means grandparents, uncles, aunts and siblings, nor do they apply to parents, and we have removed altogether the requirement for permits where kids are employed by their parents.

The act, I believe, does contain a number of new protections for working children such as restrictions on hours, a limit on work during school holidays and also a prohibition on dangerous and heavy duty work. The act also provides for the development of a separate code for the entertainment industry, and preliminary discussions have already commenced in relation to this code. We have to remember — and I know there has been debate in your party room, Mr Baxter, and in the community about this — that the act does not extend the definition of

employment. If you did not need a permit under the old system, you do not need one under the new system except for still photography — in that case you do.

The permit system applies to paid and unpaid work just like the old legislation did. The objective of the legislation, or our objective now, is to see the new child employment system operating effectively and efficiently without any unintended consequences, and to this end a range of implementation activities were undertaken in the lead-up to the commencement to inform, consult, and also guide those who will be using the new system. Anyone who wants information or advice about child employment simply needs to contact Industrial Relations Victoria. I do not shy away from this. I will get you the cost in relation to the advertisements, I believe it is good legislation and it is about protecting our kids.

The CHAIR — Our last question is with Ms Green and you need to keep your answer as succinct as possible.

Ms GREEN — Page 48 of budget paper 3 refers to the government's aim of promoting the development of high-performing workplaces and cooperative work practices and relations between employers, employees and their representatives. Could you advise the committee about progress towards this goal?

Mr HULLS — Yes. About two and a half years ago we launched the Partners at Work pilot program aimed to improve Victoria's businesses. We allocated \$3.6 million over four years for that program. Funding up to 50 000 per project is provided, with recipients required to match dollar for dollar that funding. The Partners at Work program ain't rocket science; it is the heart, in my view, of proper, cooperative, collaborative industrial relations. It proceeds on the not unusual assumption that cooperative workplaces are ultimately more productive than those characterised by conflict and lack of trust. No matter how obvious that looks on paper, it is not until the theory is put into practice that you can properly evaluate any initiative such as this one.

In 2002 we received 70 applications for funding, in the initial Partners at Work pilot, and 13 projects were approved at a total cost of \$450 000. These projects were completed last year, and I was privileged to hand out the first certificates under the program at a ceremony at Parliament House just before Christmas. Representatives from those workplaces gave a presentation about the detail of their projects, how they have contributed greatly to a change in culture in their workplaces, and a change in the relationship between workers and also managers. I guess the message was that while the projects are not going to solve every workplace problem they had made a big difference in the way problems were tackled. We are in the process of approving the fourth round of the projects and a fifth round will be processed later in the year, so members ought to let any of their interested constituents know that they should apply.

As well as encouraging cooperative workplaces and innovation we are also recognising best examples of workplace cooperation through the workplace excellence awards. They will be presented for the third year running at the end of this year, so an enormous amount of work has been done in relation to our passion in industrial relations, which is promoting cooperative, collaborative workplaces.

The CHAIR — Thank you, Minister. There will be some follow-up questions in relation to that in terms of performance measures, projects funded and key performance indicators. Thank you very much for your presentation on industrial relations. We thank both Mr Vines and Mr Harmsworth for their attendance.

Witnesses withdrew.