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ECONOMIC, EDUCATION, JOBS AND SKILLS COMMITTEE

Inquiry into portability of long service leave entitlements

Melbourne — 14 September 2015

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The CHAIR — I welcome you on behalf of the Committee. There is a process I need to read so you will understand the procedure. Welcome to this public hearing for the Economic, Education, Jobs and Skills Committee Inquiry into the portability of long service leave entitlements. All evidence taken at this hearing is protected by parliamentary privilege. Any comments you make outside the hearing are not afforded such privilege. Hansard is recording today's proceedings. We will provide a proof version of the *Hansard* transcript so you can correct any typographical errors. I now invite you to make an opening statement. At the end of your statement, Committee members will ask questions. Welcome, Steven.

Mr WOJTKIW — Thank you very much, Chair, and Committee members. In terms of my opening remarks, I would like to thank the Committee for the opportunity today to present at this public hearing and to discuss VECCI's submission to the Inquiry into the portability of long service leave entitlements. By way of background, VECCI is Victoria's largest and arguably most influential employer organisation. We have over 5000 members and provide representation and business services to more than 15 000 members, customers and clients across the state each year.

Our membership and customers are diverse and represent the spectrum of Victorian industry, covering small, medium and large-sized businesses, and include many which are located in regional Victoria. We are also a longstanding and influential member of the nationwide network of business organisations and chambers of commerce which make up the Australian Chamber of Commerce and Industry, or ACCI, as it is known. Our regular and close contact with members provides a strong evidence base for our advocacy and representation, and we have drawn on that evidence base in making our submission to this Inquiry.

Although our submission is relatively brief, its core message is that we consider there would be an adverse economic impact on Victorian jobs and business from any extension of portable long service leave entitlements to a wider range of industries than currently exists. In June this year we undertook a survey of some 500 of our members to ascertain what they would do if they had to contribute a share of their total gross wage bill to a central scheme that would pay long service leave once it was accrued. The share of wages that was used in that example was 2.7 per cent of employers gross wages. Almost 60 per cent of respondents to that survey—some 452 businesses—indicated that they would seek to reduce employee wages, benefits or hours if they were to incur that additional cost.

In our view this highlights the detrimental impact an expansion in portable long service leave entitlements would have on Victorian jobs. It shows Victorian employers do not have the capacity to absorb costs associated with the extension of portable long service leave entitlements. Lack of capacity is not surprising, given the current economic environment, of which the Committee would be well aware. Victorian economic conditions are fragile and have been so for some time and are likely to be so for some time into the near future.

Victoria's labour market is soft, with unemployment currently at 6.1 per cent. Labour market weakness is even more pronounced in regional areas and among young Victorians. Both our submission and others, such as from the Australian Industry Group, show that the economy-wide costs to business from extending portable long service leave would be significant and damaging to Victorian industry competitiveness. We are therefore concerned that additional costs, and direct costs for that matter, without a corresponding increase in productivity would be counterproductive to Victorian business interests. We note that that view is one that is shared by the Productivity Commission in its draft report on Australia's workplace relations framework, where the Commission states:

A move to mandate portability at the current level of LSL entitlements would entail a significant increase in LSL costs to business.

It is VECCI's formal view—and we urge—that the Parliamentary Committee should not recommend any extension of portable long service leave arrangements, because to do so would result in additional direct costs to business with a consequent loss in jobs potentially and additional indirect administrative costs to employers. Even if payments to eligible workers were distributed by portable long service leave funds, the fact remains administrative costs of the fund would still have to be met.

There is also an added risk, in our view, that employers might even be reluctant to employ people with experience acquired from other employers. This potentially works against the interests of mature age workers. Chair and Committee members, that concludes my opening remarks. I would be more than happy to answer any questions the Committee might have. Thank you.

The CHAIR — Thank you very much. Your submission notes that Victorian businesses will be financially disadvantaged if portable long service leave is expanded. Which industries do you think would be most adversely affected by the introduction of portable long service leave, and in what ways would they be affected?

Mr WOJTKIW — Thank you, Chair. We believe that the industries that would be most affected would be those that are already under strain and stress from the forces of the competitive global marketplace. Victorian industry, particularly manufacturing, is already under significant structural change as a result of global pressures. We believe manufacturing would certainly be hard-hit by any additional cost impost. The building and construction industry, although this is an industry to which existing portable long service schemes already reside in, is certainly one which does not yet have a significant path line of major projects, notwithstanding the Government's current agenda to undertake major reform in infrastructure. So there is still some fragility in the building and construction industry, notwithstanding recent high prices in Melbourne and Sydney.

We also believe that there are particular stressors on the Victorian agribusiness sector, the farm sector. While we do have a lower dollar, there is still uncertainty in global markets around commodity prices, and for that matter, demand in overseas markets for Australian produce. The farm sector is certainly one which is undergoing significant change and is likely to remain one which faces headwinds into the future. Beyond that, in terms of the Victorian sector, are sectors like education and, particularly, community services, which I notice is a focus of the terms of reference for this Committee. The community services sector is one which is already finding it difficult to attract and retain staff. It has significant overheads and difficulty in remunerating staff, and that sector would particularly be hard-hit by any additional costs in terms of the employment of additional labour. They are some examples, Chair, of where we believe industry would be hard-hit.

The CHAIR — Thank you.

Ms RYALL — In terms of the competitiveness of Victoria and Victorian organisations versus those in other states and territories, and then international competitiveness, how do you see additional costs to business of a specific scheme in this state as opposed to in other states? How would that affect competition?

Mr WOJTKIW — The cost of doing business is one which many businesses look at very closely, whether they are residing within the state currently or they are looking to invest in the state, either from overseas or from interstate. As part of that cost of doing business they will look at direct costs attached to issues like payroll tax and land tax, but also indirect costs associated with the employment of labour, and they include our workplace relations system and costs associated with WorkCover premiums. And in this case to provide or lead to additional costs being imposed on business as attached to employment is certainly not something that we believe adds to Victoria's competitive position, particularly when we compare Victoria to other states, where employers and investors will look closely at what existing regimes might be in place as that relates to the employment of labour. If they were to see that across industry more widely there were additional costs now attached to portable long service leave, we believe that would act as a detriment to investment within the state, certainly by interstate and overseas investors but certainly also in terms of existing businesses within the state and their capacity to grow and remain competitive.

Ms RYALL — If the costs of employment or costs related to doing business are greater here, would that therefore mean that organisations—perhaps overseas organisations—that want to come and set up here and perhaps grow might choose other states as opposed to us?

Mr WOJTKIW — There is no single influence on what determines investment decisions of businesses, but it does add to the stock of their considerations. They will look at access to a skilled labour force; the adequacy, cost and reliability of infrastructure; regulatory costs—in other words, indirect costs of doing business in the state; and direct costs. In the case of this particular example, notwithstanding wage costs, workers compensation costs, existing costs attached to employers' obligations to meet the superannuation provision requirements of employees, it potentially adds another layer of cost on doing business in Victoria, which businesses will look at closely in terms of discerning an overall competitiveness of investing in and operating their businesses in Victoria relative to other States or other locations for that matter.

Mr MELHEM — Your submission talks about the costing if we implement it. I will take you to page 2 of Mr Stone's letter. The way I read it is if there is a universal system of portable long service leave introduced in Victoria based on a formula of 2.7 per cent of payroll—so comparing what happened today—this new system, which covers all employees, could lead to a cost blow-out of \$84 million. What did you base that number on?

Mr WOJTKIW — That was a relatively conservative estimate based on the survey respondents themselves and extrapolating the results out for that cohort, if you like, across industry. We made certain assumptions, which may or may not differ from those of other parties around average weekly earnings, for example. We took ordinary time earnings rather than total earnings, and we took full-time employment rather than total employment, so our cost estimates are based on our assumptions that we made in making that measure, but nonetheless we still think it is a significant cost—a cost nonetheless. Potentially in an environment where employment is difficult, jobs growth is under stress, we believe it is a cost that we should otherwise avoid.

Mr MELHEM — But it is fair to say it is the high end of the entitlement of 2.7 per cent, because that reflects 1.3 weeks per year of service, where the other model of 0.866 a week per year applies to the majority of Victorians—and your members will be covered by that—so the number could be lower if we average the 1.6 per cent, which is 0.866 a week, versus 2.7 per cent, which is equivalent to 1.3 a week, so the number is somewhere around ...

I think your figure is probably in comparison with the AiG figures, for example. As far as I am concerned they dreamt up the figure of \$4.5 billion cost for one sector, which is just crazy, so basically it is around that figure, give or take?

Mr WOJTKIW — Sure, give or take. Costs and estimates of costs may well vary, but we believe there is a cost nonetheless. Perhaps as fundamentally as that we ask the question: has there been a business case made to substantiate or provide a solid evidence base as to why the case for extension of portable long service leave entitlements needs to be made? And what, if any, demand there is within the existing workforces. We are not aware of that evidence base. For that matter, representing employers, we ask ourselves where would the dividend to employers be that they currently derive from long-serving staff—and those dividends are around the benefits of experience, around loyalty, around familiarity with business operations. Portable long service leave would not provide that level of benefit, because by definition that entitlement is accrued by working to any number of employers rather than one individual employer or working to the industry and to different projects, so there is not that consequent benefit. If there is a cost, there needs to be some offsetting benefit to either employer or to the industry more widely or to the economy more widely, which, as I mentioned earlier, relates to a trade-off for productivity improvement.

Mr MELHEM — The number you have got there, is that assuming the full cost of the 2.7 per cent or take into account a significant number of your employees will be taking their long service leave in any event? Does that represent the total cost or the gap? As you appreciate, currently X number of employees, or a percentage, will be taking long service leave anyway and employers pay the cost. In introducing a new system, is that proportionate leave which otherwise the employees might not be entitled to? Does the \$84 million represent that portion or the total cost? That is my question.

Mr WOJTKIW — It is the latter. Yes, it is.

Mr MELHEM — Right. That is what I thought.

Mr WOJTKIW — The additional cost, if you like, beyond what currently exists.

Mrs FYFFE — Thanks for coming to talk to us, Steven. This morning we have heard allegations of a creep with the long service leave, away from when it was first set up for the construction industry, in that it is creeping into other industries. Are you aware of that? If you are, have you looked at the other interstate models and whether one of those would be better for Victoria—for instance, New South Wales or Queensland?

Mr WOJTKIW — We have not looked closely at other models existing in other states. As to your question around the creep in long service leave, the thing that we would say here is that there has not been a substantial departure in terms of the character or nature of the Australian workforce that has lent itself to a more transient workforce. In fact I was looking at some statistics recently which said that some—almost 25 per cent—of Australian employees have been with their existing employer for up to 10 years, and that that has not changed substantially over the past decade.

Mrs FYFFE — I am sorry to interrupt you, Steven. My question was not very clear. It is CoINVEST's creep into other industries.

Mr WOJTKIW — I see what you are saying.

Mrs FYFFE — I am sorry. I should have said that.

Mr WOJTKIW — No. We have not looked at that issues expressly. We have taken a more holistic or macroeconomic perspective of this issue and not been as focused on the administration and the emergence of fund providers and administrators and what the trends are in that particular industry. But it goes to my earlier point that ultimately, even if employers are not administering and paying those costs directly themselves, if those costs are administered and paid separately by a fund manager, ultimately their costs need to be covered or met also by industry.

If I could finish on my comment on whether or not there is a case in industry for a more transient workforce, I would say that where we have seen an increase or change in the workforce is around hours, around whether it is part-time or casual work. The growth in home businesses, micro start-ups, flexibility in terms of the capacity of workers to work from home are features of a growing economy in a service industry in particular and less so lend themselves necessarily to the portability of entitlement.

Mr CRISP — In your introduction you touched briefly on effects in rural and regional Victoria. I would like to hear a little more about that, because we have heard some evidence that regional Victoria can be on closer margins than other places.

Mr WOJTKIW — Certainly. That is my experience also, having recently spent a number of months talking to regional businesses about their particular position and prospects over the short to medium term. There is no doubt that many parts of regional Victoria themselves are undergoing pressures of structural change and adjustment. Different parts of the state are certainly grappling with global competition. While the advent of free trade agreements, for example, provide some new opportunities, it also puts some additional competitive pressures on industries, and no less in regional Victoria.

As you say, they are facing high unemployment in some regional locations, particularly amongst youth. There is a difficulty in creating jobs, moving out of traditional historical industries like manufacturing into some new service economy industries. On balance we find that businesses in regional Victoria are doing it harder than those in metropolitan Melbourne. This goes to our case that at this juncture we would not want to impose on many regional businesses additional costs associated with employing labour than which they currently incur. If anything, we need to incentivise regional businesses and businesses more broadly across the state to look favourably at employing more people rather than less.

Mr NARDELLA — You just said you do not want to impose any additional costs on businesses than they currently incur. With on-costs for employees, if you have got a worker, is long service leave part of those on-costs already?

Mr WOJTKIW — If it is an entitlement, yes, it is.

Mr NARDELLA — So if you, Steven, have a small business and you employ people, you would then do what to preserve that entitlement? What would you do as an on-cost?

Mr WOJTKIW — Sure. It gets back to what workers value. It may well be wages, it might be pay, it might be conditions, it may or may not be aspects associated with ...

Mr NARDELLA — Let us just talk about long service leave.

Mr WOJTKIW — If there is an attachment by that particular worker to my business or to a business over a long period of time—an attachment that is not just about loyalty but about productivity and actually adding substantive value to my business—then I would seek as an employer to ensure that there is an appropriate long service leave provision, if not a statutory requirement.

Mr NARDELLA — That did not answer my question, but what do you do with that entitlement? So I come and work for you, right? Part of my on-cost is my long service leave whenever I start with you. What would you do with that money? Would you put that money away every year? Would you put it away every week? How would you accrue that entitlement for me as your worker?

Mr WOJTKIW — I would ensure certainly that from a cashflow perspective there was a reserve or an accrual made for that particular provision. How I invest that would have to have regard for what might currently exist in terms of the options, but at the end of the day I would ensure that I meet my statutory requirements to make provision for long service leave entitlements. It is as simple as that. That is what we encourage our members to do at VECCI. Yes, there is an additional cost—one which needs to be provided for in terms of a business's ongoing day-to-day or weekly operations, but a cost nonetheless.

Mr NARDELLA — So an employer would be putting maybe 2.7 per cent of somebody's salary away every week or every month or every quarter for long service leave provision?

Mr WOJTKIW — That is correct.

Mr NARDELLA — What is the difference between doing that and you determining where that goes, or putting that into a fund and then drawing from that fund when Don Nardella, your employee, becomes eligible for long service leave? What is the difference?

Mr WOJTKIW — It is like superannuation, if I can make the analogy there. One can have do-it-yourself superannuation, or you can elect to have your employer make available a choice as it relates to superannuation fund management and investment. I would expect that no less would exist in so much of long service leave entitlements and where those moneys vest. But this issue is around the portability of long service leave, and one clear differentiation is that long service leave should attach to an employee who demonstrates long service with an individual employer—that is the current arrangement—and not one which does not have that attachment.

Mr NARDELLA — In a number of industries that is certainly the case, but with industries where there is quite a large itinerant workforce or casual workforce, then that is not necessarily the case, is it?

Mr WOJTKIW — No, because that recognises that there are industries where the distinctive nature of work sees employees typically engaged on a project basis, perhaps reflecting the cyclical nature of work, but traditional employment arrangements are more commonplace across the wider economy. We believe that in itself is the rationale as to why traditional employment arrangements lend themselves to more traditional long service leave entitlements.

Mr NARDELLA — But with the greater casualisation—and you talked about how 25 per cent of a stable workforce are there for 10 years or longer—that means that there are 75 per cent of people who are not there for 10 years or longer, and they miss out on long service leave. So in your position, then, you would say, 'Stiff, because they're not staying with that one employer'.

Mr WOJTKIW — Again, it gets back to individual choice and whether or not they are valuing it. They may well see it as an economic asset. We are seeing, increasingly, people choose to cash out their long service leave entitlements, for example. There is the case that employees may well actually trade off not having the benefits of long service leave being accumulated, because they might move jobs more frequently, but they are enjoying other benefits in terms of gainful employment opportunities and perhaps non-pecuniary benefits around choice—the ability to be able to work and study, for example, and other family work-life decisions, which, again, are no less important.

Ms RYALL — Just on that point, from my experience and knowledge of small business, if an employee has dedicated themselves in a loyal way, as Don was referring to, when the time comes that they take long service leave, the small business obviously continues their payment through that time and tends to put on a replacement. In a sense that provisioning starts when the employee, if you like, starts to become eligible for long service leave as opposed to an account or an amount being set aside from day one. Is that generally your experience?

Mr WOJTKIW — Yes, you raise a good point in that so much of the provisioning for long service leave being taken is much more manageable for small businesses particularly who are resource poor, and fits those small businesses in customer-facing roles—in retail and tourism, for example—and it is important that they have that early window, if you like, or that advance notice that they may well have staff who have been with the business for a long time planning on taking long service leave. They can to a point work around that with alternative arrangements to ensure that their business continues to operate effectively. It is less so in the case of portable long service leave, where again there is a much higher risk of transient labour moving in and out of work and projects, to which businesses are less adept at managing.

Ms RYALL — So working capital gets impacted and cash flow gets impacted if that were to be the case? I am not putting words in your mouth; I am just thinking in terms of whether that would create an impact on those things.

Mr WOJTKIW — I go back to my opening remarks around just the cost of doing business and the cost of employing labour. The disincentive to employment with higher employment costs that might associate with portable long service leave schemes is the risk that businesses—small, medium and large alike—might well look towards, where possible, and a greater use of capital in conducting their workplace and labour. This really works against job creation, which I think has to be the focus.

Mr MELHEM — I have a follow-on to that question. Surely businesses would know up-front. If they employ a new employee they would be able to ask the question about whether or not they have portable long service leave, and, if so, be able to plan it. In my understanding long service leave is taken by mutual agreement within a 12-month period and so it could be an incentive for employers or they could be attracted to people like that because they could have a down period, for example, that could be used for the taking of long service leave. Because there is nothing mandatory like 'I'll just give you one week notice and off I'll go'. It could cut both ways. It could help businesses, but it could actually impose if they are busy and have to replace that person. So it could cut both ways, couldn't it?

Mr WOJTKIW — I hear what you are saying, but I would say that because portable long service leave by its nature does not provide an incentive to remain with one employer, an employer may well look at an employee and think, 'Well, you haven't worked for me for a long period of time. Your portable long service leave in this case is based on service approved with other employers'. Now if that is starting to become quite significant, there is not necessarily a great incentive for me to take you on.

Mr MELHEM — Maybe just employ young people.

Mr WOJTKIW — I have not had the benefit of association and engagement and loyalty and service and, let us say, productivity that might otherwise reside in an employee that has been with my business for a longer period of time. So no, I do not think that ultimately the proposition would work in the interests of certainly mature-age workers or workers who have accrued a large and growing level of portable long service leave because their work service has been associated with multiple employers rather than a single employer.

Ms RYALL — That is a point we have not heard before.

The CHAIR — Your submission mentions that employees could make voluntary contributions to fund portable long service leave. Could you elaborate more on this issue?

Mr WOJTKIW — Yes; thank you, Chair. I guess our thinking here was that if there is an attachment and a value associated with portable long service leave entitlements, then that benefit or attachment would reside, I would suggest, predominantly in the minds of employees. If they are the main beneficiaries of, in this case, portable long service leave entitlements, why should they themselves not be precluded from making a contribution to that entitlement of their own volition?

We see parallels in the operation of the superannuation system, where, yes, there is a statutory requirement on employers to provide for minimum superannuation guarantee entitlements, but individuals can make additional payments on top of that, if for whatever reason they see it is necessary to do so. The same exists in part in the operation of the healthcare system, depending on whether or not you elect or through the tax system are encouraged to take up private health insurance. Again, there is an element of choice there whereby individuals can top up or make provision according to their budget and their lifestyle. I guess the analogy here is: if employees are going to be the predominant beneficiaries of portable long service leave entitlements, then they should have a vehicle or mechanism to make payments and contributions.

Mr NARDELLA — But with all due respect, to use the analogies that you have used, which I think are inappropriate, you would then put a case that people should be putting in for their own annual leave and extending their annual leave.

Mrs FYFFE — No, he is not saying that.

Mr NARDELLA — Is that the case that you are putting?

Mr WOJTKIW — No, I am not suggesting that. Leave is ...

Mr NARDELLA — But you are, as an analogy, saying that people should then put in their own money to extend their own long service leave? The analogy to that is that you put in money for your own ...

Mr WOJTKIW — Well, people do that.

Mr NARDELLA — And where does it stop?

Mr WOJTKIW — Well, people do do that. An annual leave entitlement may or may not have a leave loading attached to it, and individuals might choose, leading up to the taking of the annual leave and any remuneration they might have attached to that, to save more.

Mr NARDELLA — Yes, but it does not go into an account. They may save up, like my stepson and stepdaughter did. They took their long service leave and they put money away. But there is not an account for long service leave.

Mr WOJTKIW — No.

Mr NARDELLA — There is not an account for annual leave. So that is really just a nonsense, is it not?

Mr WOJTKIW — No, it is about an individual making provision for a benefit that they would accrue, whether it is in the short, medium or long term.

Mr NARDELLA — But not through a long service leave scheme.

Mr WOJTKIW — We are not talking about long service leave and ...

Mr NARDELLA — That is what we are talking about here, and that is what you have suggested.

Mr WOJTKIW — No, my suggestion is that if individuals want to make provision for portable long service leave beyond what might exist—in other words, employees in industries where these schemes do not currently exist—then they should be able to do so.

Mr NARDELLA — But it is an employer entitlement to the employee, and you are asking the employee to start paying for their long service leave.

Mrs FYFFE — If one does not exist.

Mr WOJTKIW — We are suggesting that there should not be any broadening of the employer payments beyond what currently exists—as simple as that.

Mr NARDELLA — Regardless of all the other portable long service schemes? None of them should be extended at all?

Mr WOJTKIW — No, and there are not too many in existence, as you would know.

The CHAIR — Any further?

Mr CRISP — One question. I would like your view on whether employees tend to take their long service leave as a break or as a lump sum.

Mr WOJTKIW — Sure. I do not have the hard data at hand to be able to answer that specifically, but that again ultimately will vary across industry, across workforces, depending on the age demographics of cohorts taking leave and whether or not their particular situation in life lends itself to taking leave as one ordinarily knows it. Or, as you would say, where there might be a capacity to cash out leave entitlements, they might choose to do so.

Mr CRISP — Thank you.

The CHAIR — Your submission notes that the administrative burden of existing schemes should be reduced. In what ways could this be achieved?

Mr WOJTKIW — I guess our suggestion here is that we have to have regard for small and medium-sized businesses that are already grappling with the existing regulation around industrial relations—around superannuation, around WorkCover, around, in Victoria's case, the remittance of State Revenue Office taxes—and we cannot and should not add to the complexity of current arrangements. Where there is a capacity to ensure that we have as streamlined as possible arrangements in place for existing industries where these schemes exist, then that is our message. Again going to my earlier point: if we are looking at changing, modifying or even extending, current arrangements, then they cannot have the consequent attachments of significant compliance and administrative costs to employers.

Mr NARDELLA — I just go back to the Chair's question. How would you make them more efficient? How would you reduce those costs? You did not actually answer that.

Mr WOJTKIW — No, because we do not have firsthand evidence, as a paymaster, of the processes that currently exist in the field of portable long service leave schemes because the attachment of those schemes is relatively narrow in Victoria.

Ms RYALL — I was just going to ask about the impact on not-for-profits, given that to a large degree, certainly in the community services sector, which is growing, they are outsourced. What do you envisage to be the cost to government from that growth? I guess the question is: how do they absorb the costs, and if

that is the case, does it decrease employment? Or is it a case of the government needing to increase their funding?

Mr WOJTKIW — With the community services sector, many of those organisations are already experiencing high staff turnover in the sector. Also by the nature of the work that community service organisations do, labour costs and also long service leave costs are traditionally quite high relative to other industries. We have talked to some community service organisations, and they have indicated that, given that their budgets are already very tight, any additional costs would potentially lead to either a reduction of service standards or the laying off of staff or an increase in fees charged back to customers for their services. The community services organisations that we have talked to have suggested that any increase in long service leave costs, should be funded by an increase in government funding for the community services sector rather than pushing those costs back on the individual employers.

Ms RYALL — Do you have any idea what that cost might be?

Mr WOJTKIW — I do not have that at the moment.

Mr NARDELLA — I think it was around \$265 million mark.

Ms RYALL — Back in 2010.

Mr NARDELLA — In 2010, and there was a provision of about \$100 million in the budget as an additional step.

Ms RYALL — It would be a lot bigger now, would it not?

Mr NARDELLA — Not that much bigger.

Ms RYALL — We will find out.

The CHAIR — If there are no further questions, I thank you on behalf of the Committee for coming in and giving evidence.

Mr WOJTKIW — Thank you, Chair and Committee members. I appreciate your time today.

Witness withdrew.