

# Victorian Budget 2014 | 15

Public Accounts and Estimates Committee  
2014-15 Budget Estimates hearing



The Hon. Robert Clark MP  
Minister for Industrial Relations

Thursday 15 May, 2014

# Minister for Industrial Relations responsibilities

The role of Minister for Industrial Relations now incorporates public and private sector industrial relations

## Core responsibilities

- Public Sector Workplace Relations policies
- Advocate to ensure the national workplace relations system meets the needs of Victorian employers, employees and the economy more broadly
- Make submissions to or participate in major workplace relations reviews, inquiries and cases
- Protect State interests where industrial disputation is significantly impacting the State
- Administer certain Acts

# Legislative Responsibilities

- Construction Industry Long Service Leave Act 1997
- Fair Work (Commonwealth Powers) Act 2009
- Long Service Leave Act 1992
- Outworkers (Improved Protection) Act 2003
- Owner Drivers and Forestry Contractors Act 2005
  - Supporting the roles of the Transport and Forestry Industry Councils
- Trade Unions Act 1958
- Public Sector Employment (Award Entitlements) Act 2006

# Public Sector Workplace Relations

- The Public Sector Workplace Relations policies set out the Government's expectations for public sector employers relating to workplace relations and enterprise bargaining
- The Government's wages policy includes:
  - a wage guideline rate of 2.5% per annum, with higher outcomes available where the additional cost is offset by productivity gains
  - that entities are required to demonstrate that their agreements are financially sustainable
- Public sector bodies are required to comply with relevant legislation and case law including:
  - the *Fair Work Act 2009* (Cth)
  - the *Fair Work (Commonwealth Powers) Act 2009* (Vic)
  - *Re AEU; ex parte Victoria* (1995) 184 CLR 188
  - *Victoria v The Commonwealth* (1996) 187 CLR 416

# Agreement provisions must not restrict the State's capacity to govern

- Recent decisions recognise the important limitations on the Commonwealth's power to regulate Victoria's industrial relations matters:
  - *Parks Victoria v Australian Workers Union and Others* [2013] FWCFB 950 (Fair Work Commission, February 2013)
  - *United Firefighters Union v Country Fire Authority* [2014] FCA 17 (Federal Court, January 2014)

# Public Sector Enterprise Bargaining

- This Government has approved over 110 Enterprise Agreements since coming to Government. 32 have been approved in the 2013-14 financial year
- All finalised agreements have been assessed to ensure consistency with the Government's wages policy
- The Government expects all EBA outcomes to be fiscally sustainable, improve workforce productivity, and promote the public sector as an employer of choice
- In addition, I am overseeing the coordination of the Government's response to the Fair Work Commission's modernisation of Victorian public sector awards

# Participation in major reviews and cases

- Advocate Victoria's interests in private sector industrial relations:
  - The Victorian Government has participated in discussions on amendments to the Fair Work laws
  - We are committed to maintaining a strong and vibrant economy that will deliver long-term benefits to Victorians and generate investment and jobs
  - The Victorian Government made a submission to the 2013-14 Annual Wage Review, urging the Fair Work Commission to exercise caution when determining changes to minimum wages
  - The Victorian Government also made a submission in the pay equity case for child care workers in relation to the proper construction of the equal remuneration provisions in the Fair Work Act

# Protect Victoria's interests - significant industrial disputes

- This Government monitors and may consider involvement in private sector industrial disputes which have the potential to significantly impact the Victorian economy or interests
- In addition, I have intervened as Attorney-General in Supreme Court contempt proceedings to uphold the rule of law in the Victorian construction industry
- This Government welcomes steps being taken by the Commonwealth Government to address unlawful industrial conduct, through:
  - seeking to reinstate the Australian Building and Construction Commission
  - establishing a Royal Commission to inquire into trade union governance and corruption



# Key initiatives and priorities 2014-15

- In the year ahead, this Government will:
  - strengthen Victoria's industrial relations reputation to encourage investment and economic growth for all Victorians
  - promote public sector agreement outcomes that are fiscally sustainable and increase workforce productivity
  - participate in significant inquiries and cases when it is in the public interest
  - engage with business and the broader community to look at ways to reduce the regulatory burden on businesses, particularly small business
  - maintain appropriate regulatory standards and safeguards for the Victorian community