

# CORRECTED VERSION

## ECONOMIC DEVELOPMENT COMMITTEE

### Inquiry into Labour Hire Employment in Victoria

Melbourne – 28 July 2004

#### Members

Mr B. N. Atkinson

Mr R. H. Bowden

Mr H. F. Delahunty

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#### Witness

Mr G. Bird, Secretary, Australian Meat Industry Employees Union.

**The CHAIR** — Welcome to the hearing today, Graham, in which we are inquiring into labour hire. You are here representing the Australian Meat Industry Employees Union. Please begin with your submission, and then the committee will follow up with some questions.

[Proceedings from 12.06 p.m. until 12.09 p.m. not recorded]

**The CHAIR** — It would appear the problem has been rectified. Please resume, Graham.

**Mr BIRD** — Where you employ labour directly, the employer will attract a premium based on the premium for the meat industry. When they employ through a labour hire company they attract the premium for the labour hire industry, and the premium for the labour hire industry is considerably less than the premium for the meat industry — I think it is around about half the rate — so if you are paying \$1 million a year in premiums as a direct employer, immediately you go on to labour hire you pay \$500 000, or thereabouts, so it is a considerable save for those employers. It has been found attractive by a number of employers to go down that path for that reason. It also obviously makes it more difficult for the employer who used to employ directly because they are then in competition with someone who has considerably less workers compensation premium than they have. We believe there is a reasonably simple solution to it and that is that the labour hire company should be seen to attract the premium of the industry that they are putting their people in to work.

**The CHAIR** — Can I ask you about that, Graham? I noted that element in your submission which I was fascinated by. I understand there is a capping arrangement with some of the premiums, if not all of the premiums, but would we expect for a labour hire firm which had been hired with this in mind — that is, to incur a lower WorkCover premium cost — that over time, as experience built up, that premium would increase?

**Mr BIRD** — It may, but the other part of this arrangement is that the vast majority of the labour hire firms employ people on a casual basis, and our experience has been that if you sign the injury book, for example, to say that you have sustained an injury, you do not get a phone call the next day. These people have to be contacted to be told there is work available the next day or for the next week or whatever it might be. Our experience shows that people who look as if they have been injured or may have an injury which may develop into a workers compensation injury are simply not brought back. This is one of the advantages that employers see in relation to labour hire. It is the second part of what I was saying before — it is very much easier to get rid of them. They are casual and employed when there is work available from the host employer, and if the host employer says it has no work then they do not come back. And there is very little they can do about it. They are still on the books as a labour hire company, but the labour hire company is unable to place them because the host employer says there is no work available.

It is attractive to some employers to go down that path. We have had employers coming to us to say that they have problems with workers compensation premiums that are starting to make them less competitive than they would like to be. They are employers who have had had a good working relationship with their employees over a long time; they have been good employers in the industry; they have a work force that comes and works for them and stays a long time. As a result of staying a long time it is quite likely within the meat industry, given the work that you are doing, that you will sustain an injury. Most of the injuries in the meat industry are gradual onset injuries. They are soft tissue injuries. You are doing repetitive work over a long period of time. If you are doing hard work over a long period of time you may sustain a problem with your arm, your leg, your back. If you have been a good employer and have been able to attract people to come and work for you for a long period of time, they like working for you, the conditions are good, you are a decent person to work for, they stay with you, they have been there 20 years, and they become injured. It is a workers compensation claim that then goes onto the employer's record and their premiums will eventually go up.

Down the road they are competing with a company that is employing casuals through a labour hire company. The initial premium is less to start with. They are only employed as casuals and they can be got rid of very quickly. They are not going to have anywhere near the workers comp premium because people will be going through the place — they will not stay. Those people said to us, 'We may have to look at that sort of thing as well. The alternative for us is to sack our work force and have them re-employed through a labour hire company. If we do that we immediately reduce our premium. We are no longer the employer; someone else is the employer. They will be taking them on as new employers. Their premium will be the labour hire premium and we will save a considerable sum of money'. That is the dilemma for some employers in the industry currently.

Clearly it is a dilemma for us as well, because those people who are members of ours, who have been long-time employees working for these people that we have a good relationship with, are going to suffer if that happens. The answer, as I said, is reasonably simple for us to see. I am told by WorkCover that it is a bit harder than we believe it to be, but WorkCover, I think, has come out with a paper where there are some alternatives now for the premiums for labour hire companies. One of the ways of doing it — and we say it is the easiest way — is that if you are a labour hire company and you are basically the full-time employer of people in the meat industry then you should be paying the meat industry premium.

**The CHAIR** — Can I just start, though, before Brendan jumps in, because he is very keen this morning. You have indicated that there are some labour hire firms that have come into the meat industry. Are there particular labour hire firms that specialise in the meat industry?

**Mr BIRD** — There are a couple. I might say that since this was written we now have an agreement with one of those labour hire companies, so that those people who were once casual are now permanently employed by a labour hire company, and they now have the proper set of conditions and so on to cover them. But most of the others are still employed as casuals on a day-to-day basis.

**The CHAIR** — Could you give us the names of those companies, the ones you have an agreement with?

**Mr BIRD** — We have just entered into an agreement with a company called Compass.

**The CHAIR** — Not the airline?

**Mr BIRD** — No, not the airline.

**The CHAIR** — What other labour hire firms would specialise in the meat industry?

**Mr BIRD** — I do not know that there is a — —

I can give you a couple. Drake Personnel supplies to the meat industry — not a great number, I do not think. I cannot actually give you the names of some of the others, but there are a number of them. I think Compass is probably the biggest supplier. That is the one that we now have an agreement with.

**Mr JENKINS** — You were talking about the two edges of the WorkCover premiums — for the amount attached to the industry which is high in relation to the industry itself, but also the amount attached to each enterprise, so that one employer is paying more for retaining staff. How does that get affected if the labour hire company finishes up wearing the industry-wide premium? What about that one attached to the enterprise itself? Can that be resolved?

**Mr BIRD** — If the labour hire is seen to pay the premium of the industry, so long as some of the other aspects of the labour hire are fixed up, the competition will obviously be much closer between them and a direct employer. The worst aspect of the labour hire, in our experience, is if it is a combination of labour hire plus casual. If they are labour hire and permanent a lot of these things can be overcome, as I think we have probably done now by entering into this agreement with this company Compass. If they are casual as well they have no restraints upon them. Take your employment with the labour hire company. The labour hire company enters into an agreement with the host employer. The host employer rings and says, 'We need 20 workers tomorrow, in fact we need 20 workers on an ongoing basis'. You have 30 on your books; you send 20. The host employer does not like one of them and they just ring up and say, 'You sent Bill Smith yesterday. Don't send him back again'. So Bill Smith does not get called and someone else takes Bill Smith's place. If that person complains or says, 'This is an unsafe work procedure here' or 'I have hurt my back', or something of the sort, it is highly likely that the host employer will ring up again and say, 'Look, that fellow you sent yesterday, we don't want him back again either. Send us someone else'.

So the employment clearly is not ongoing because they are casuals, although some of them can be employed in that way for 1 year, 2 years, 3 years on an ongoing basis. If they are not a problem and they are not being injured, or if they are not complaining or anything else, they may very well continue to be sent off week after week, year after year. The workers compensation premiums will be advantageous to the labour hire company and the industrial relations issues will also be advantageous to the labour hire company, and obviously, the host employer.

**Mr JENKINS** — In terms of the increasing use of labour hire in the meat industry, has that been a steady increase or were there a couple of big bursts and then — —

**Mr BIRD** — I think there was one company up at Wodonga that started doing this. Others looked at them and I think a few of them said, 'They seem to be getting a fair advantage by this'. Others then decided that they may go down the same path, and a few others did go down the same path. It is not always easy to do. We had one particular case where we ended up in court in relation to this. That has now been overcome and that is the company that we now have an agreement with arising out of all of that. All you need to do is start employing people — you may have your own employees, but everyone else that you recruit, any new employee, becomes a labour hire employee until such a time as those labour hire employees are the majority.

The meat industry, in lots of places, has a fairly large turnover. I talked before about places where people stay 20 years — and there are a number of those around — but there are also other employers who see an advantage, I think, in having people turn over on a fairly regular basis. If you have got a turnover on a fairly regular basis, it does not take long, if you start to replace your work force with labour hire people, to ultimately have a majority of labour hire people. There are some meatworks that have a turnover of 50, 60, 70, or 80 per cent a year.

The other part that goes with this is that some of these casual people employed through the labour hire company have also been trainees. So employers get the advantage of some training money, casual employees, no ongoing commitment by the company to continue to employ them, but nonetheless they have training grants given to them as well as the advantages on workers compensation and so on.

The other advantage they have in relation to this is the advantage on unfair dismissals. If you are an employer and you directly employ your people and you sack someone unfairly, that person has a remedy. If you are a casual and you are employed directly by an employer, after you have been there — I think it is six months — you have got a remedy. If you are an employee of a labour hire company, and a casual, you do not get sacked, you just do not get picked up. You remain on the books of the labour hire company, but they cannot find anywhere to send you, or they cannot send you to one particular host who does not want you. So it is very difficult to deal with someone who says, 'I am on the books; I have worked for six weeks, or eight weeks. Now I am told that they do not need me'. You can ring the host company and the company will say, 'We have not got enough work for him'. The labour hire company will say, 'We have not got enough work for him but we have not sacked him. He is still on the books and if we find another job for them we will send him to that one'.

**The CHAIR** — Graham, on the subject of WV up in Wodonga which made a submission to our inquiry and we had Graeme Wheeler I think it was along yesterday, Noel wanted to ask a question.

**Mr PULLEN** — Do you know anything about WV Management Ltd? They have about 300 workers at Wodonga. Graeme Wheeler mentioned a couple of things — that everyone was living happily ever after up there, and I do not know if it is as good as it sounded. It sounded too good to me, but he said everything was working well. Graham, I would like you to comment on a couple of points in particular if you know anything about this company, and also about what you have in your submission. The first one is that all the workers work right through the year; they have about a week off and so on, they have no problems, everything is working well. I took up the point in particular about page 2 of your submission at the bottom which says.

Casual employment has a large impact on the lives of workers outside the workplace. It is extremely difficult for workers to get loans, especially house mortgages ...

This is an issue that has concerned me a lot with regard to casuals and so on. The chap from WV Management said, 'That is no worries. We just give the employer a letter saying that we employ them, basically, as a casual, but they have work, and the banks give them a loan, no problem at all'. My experience in the industry is that it has always been difficult for workers in this situation to get a home loan, regardless of what I have heard at this inquiry to date. I would like to know if you know anything about WV Management, and also about that home loan comment you have in there.

**Mr BIRD** — I do not know much about WV. Wodonga is a meatworks where we used to have an agreement. We had a dispute with them 14-odd years ago. We fell out and they employed a new work force. They did that on the basis of people being sent to work through the Department of Social Security, or the dole office, or whatever they call that office these days — I think they call it Centrelink now. They sent people off to work there.

Those people have continued, the union no longer has a presence at that meatworks at Wodonga. It would be one of the few meatworks in Victoria where we do not have a member. I understand that they are all casuals.

The examples that others have given us in the last few years is that we have to be able to compete with these people, and they get this advantage over us by doing everything through a labour hire company — particularly the workers compensation part of it is what they give us. Whether those workers are happy up there I have no idea. I suspect that some of them would be because I believe some of them would be looked after better than others and I would imagine that they would still have a fair turnover of people as well.

As far as the home loan is concerned, our experience is that if you are a casual and you cannot guarantee to the bank that you are going to have X dollars per year, you do not get a bank loan. We have had many people complaining to us that that is the case: they cannot get a bank loan if they are casual. That is the reason we try and make agreements for people to be permanent.

The other part of it is that the lives of the workers, the fact that they get a percentage on top of their base rate for being casual, but depending on what their base rate is and depending on what the percentage is that may or may not make life easy for them to live. The 10, 15, 20 per cent or whatever it might be as a casual loading does not cover what being a permanent gives you. The fact of the matter is that if you are earning \$600 a week and you get 20 per cent on top of that for being casual, that becomes the income that you are used to. You usually live your lifestyle on the basis that you are going to get \$720 a week, or whatever it is, rather than the \$600. There would very rarely be a casual worker who puts a component of that aside for sick leave, public holidays, annual leave or long service during the course of the year.

So what they find is that they come to a period of time when they have worked for 12 months and they want a break, they have no money because the \$720 or whatever it might be they earn each week is what they live on and they have not got enough to set aside to make sure they can have a fortnight off here and there. In an industry like the meat industry, if you work at it 52 weeks of the year without a break you will find that very soon you will be a broken person. Your body will not be able to put up with it.

**The CHAIR** — I think just commenting on your response there, WV pride themselves on having bank accounts set up to which they divert the annual leave portion of the casual pay rate. That was emphasised to us a number of times.

**Mr DELAHUNTY** — I think that is the long service leave. It was not annual leave, it was long service leave.

**The CHAIR** — They seem to have an arrangement there which is not common elsewhere. How many meatworks would there be in Victoria?

**Mr BIRD** — There are about 30 I think, or 30-odd. Labour hire is also used in some smallgoods factories, but to a much lesser extent.

**Mr DELAHUNTY** — As a person who used to be fairly heavily involved in the meat game years ago I am interested in your comments. I was interested particularly in the fact in your submission where you said that labour hire is a recent phenomenon, but in your comments this morning you have said they do have their place. I can remember years ago working down here and people lining up out at the front. A lot of them were casual employees; the company used to bring on casual employees on a daily basis. The majority were by far the direct, full-time employees. My concern is you said that labour hire has its place. Can you expand on that, where you believe it has its place?

**Mr BIRD** — For example, there was one company where they would use a number of casuals each day and they would employ them directly. Management came to us and said that they would like to do it through a labour hire company. The reason they gave us was that various members of ours, or various workers of theirs, would be continuously complaining that they had an uncle, an aunty, a brother or sister or something who was looking for a job and said, 'Now that have employed this bloke why don't you employ my brother, why don't you employ my aunty, why don't you employ this and that'. And they were sick and tired with all of that. They thought it was much easier if they just go to a labour hire company and say to them, 'Give us 10 workers. We will ring you up. We want 10 tomorrow and 15 the day after' and so on. It was a much easier arrangement for them. We obviously have no problem with that sort of thing. If you have got a workplace, a smallgoods place, for example, at

Christmas time, there is a lot more work making hams for Christmas and so on. They can expand the work force by putting a number of casuals on. They can work for two or three months casual and then they get put off.

**Mr DELAHUNTY** — That is that nature of the industry, isn't it?

**Mr BIRD** — It is. We will occasionally get an order that comes in, some export order, or one of the supermarkets rings up and says, 'We have got a promotion next week, we want X tonnes of frankfurts or something of the sort now, can you deliver'? So they bring in a number of casuals to help them out to do that sort of thing.

In a meatworks there will be people away from time to time and a number of them will have an arrangement whereby if they know somebody is going to be away or someone is crook and is going to be off for a week, they can ring up the labour hire company and say, 'We want somebody for week'. All of that is in our view quite legitimate. The problem as we say is using casuals as casuals, they way they ought to be used, but we believe, as I think the Prime Minister said once, people are entitled to have a secure lifestyle. The way you can have a secure lifestyle, or the best way to have a secure lifestyle — it is not guaranteed, of course — is by being directly employed or being employed on a permanent basis so that you know each day that you have got a job.

**Mr DELAHUNTY** — In your conclusion to your submission you said that labour hire firms undermine wages. Can you give us some examples of that?

**Mr BIRD** — They undermine wages on the basis that if you have a work force that is directly employed — and let us say they are in the union and they are directly employed — they ask the union to negotiate an agreement on their behalf, and you go off and negotiate that agreement. The current industrial relations Act allows if you cannot reach agreement for both sides to take legal, protected industrial action so that you can, if you want to or if you need to, take some action which may assist you to get the sorts of wages and conditions that you want. If it is a labour hire company what happens is, as I said before, it is much more difficult. If they are all casuals they are worried about their job. They appreciate that if they happen to stand up and demand some better conditions it is highly likely they will not be there the next day or the next week. As I said, if you were elected the union delegate in a place where it was all labour hire, you might do all right depending, but you also might run the risk of not coming back. That has happened from time to time. So it is far more difficult for those workers to bind together to try and get a decent set of conditions to cover themselves.

**Ms MORAND** — I have two questions. One, when you are talking about the examples of people who are not asked to come back the next day, because they might be injured or they might have asked for better conditions or so forth, how many specific examples of that could you provide to us? How many examples in a year, for example?

**Mr BIRD** — How often would that happen?

**Ms MORAND** — I would not question that it does happen, but it would be very valuable to know how often that happens.

**Mr BIRD** — In our view it would happen a bit. How many times I could not tell you, but it probably happens once, let us say, and then it might not happen again for a while because everyone has seen what has happened. Some bloke stands up and talks at the meeting or goes to the employer and says, 'On behalf of the others I want this, that and the other', and then the next day he is not there, or the next week he is not seen again — —

**Ms MORAND** — Do you have a record of how many people have contacted your union to say this has happened to them?

**Mr BIRD** — We would note them at the time, but we certainly would not keeping a running record of them. But it certainly does happen.

**Ms MORAND** — The second question was about the abattoir in Wodonga WV Management in its submission suggests a licensing scheme for labour hire companies. I wondered if you could comment on the merits or otherwise of that proposal.

**Mr BIRD** — A licensing scheme?

**Ms MORAND** — A licensing scheme, so that rather than anybody saying, ‘Tomorrow I will start up a company and say I am a labour hire company — —

**Mr BIRD** — Depending on what the conditions of the licensing were, I probably would support that. It would be far better to have people who were reputable in the industry rather than anyone who wants to start their own business getting into it.

**Ms MORAND** — What sorts of standards do you think there should be or what suggestions about a licensing regime?

**Mr BIRD** — I would have thought we would suggest that if you are going to operate a licensed labour hire company in Victoria you should, I would think, have a time limit on how long you can employ people on a casual basis supplying them to one employer, for example. If your role as a labour hire company is to supply workers solely to one employer, then there should be a limit on how long they could remain casual employees. They should be forced, as I said before, to pay the workers comp premium of the industry they are supplying the labour to. That is a couple off the top of my head. The matter of making them permanent and the workers comp. part would be the major ones I would think, but I will have another think about that and contact you later if we can think of anything else.

**Ms MORAND** — I think that is the New South Wales case, isn’t it — that there is a minimum period before you then become permanent employees?

**Mr BIRD** — Yes.

**Mr BOWDEN** — I would suggest that one of the key goals of the workplace employee is consistency of income. That is what they really want. They want to go to work, make money and live their life. I was just casting my mind back to maybe a dozen years ago when the disputation rate was quite visible in the community between sections of the meatworks area, and disputation was quite noticeable. Since the introduction of labour hire, to a person not involved in the meat industry — I have no connection with that industry, I just see what is doing in the press and whatever — there seems to be a lesser disputation rate. Would you say this is just coincidental or is a result of labour hire?

**Mr BIRD** — Clearly, as I said before, being a casual on a labour hire basis is going to discourage you from doing very much to improve your wages and conditions because it may lead you to be sacked without you being able to do much about it. The disputation in the industry, we would like to believe, has a lot to do with the fact that when enterprise agreements came in back in about 1992, the union entered into a number of those enterprise agreements with most of the employers in Victoria and they have run quite well since then. You work out what suits the employer and what suits the workers, and you have a three-year period usually and things run along.

There has been some disputation in the industry. There was one example a few years ago when our members were locked out for nine months by an employer down in Pakenham, a fellow called O’Connor. That was industrial action taken by the employer who wanted to force them from their enterprise agreement onto an AWA, which ultimately he was successful in doing, having locked them out for nine months without any money to sustain them. Industrial action is not completely dead within the industry, but a combination of factors has meant that it is less than it used to be. Conditions are now regulated better than they were.

Some of those industrial disputes of years ago were because the Industrial Relations Commission refused to ratify agreements that were entered into between the union and individual employers. When it became compulsory for the commission to ratify those agreements, which happened in 1992, a lot of that disputation ceased.

**The CHAIR** — Graham, I have a couple of points. First, I just want to clarify something. Most workers in the meat industry would be on federal awards?

**Mr BIRD** — Most of the workers in the meat industry in Victoria would be on federally registered agreements.

**The CHAIR** — Which would be the equivalent of the federal award?

**Mr BIRD** — No, they are much — —

The federal award is the minimum standard, and they are very minimal standards. Most agreements would be considerably better than the federal award. There would be very few people who would work solely to the federal award.

**The CHAIR** — So, if I could paraphrase it, in the old language they would be above award conditions?

**Mr BIRD** — That is right.

**The CHAIR** — Okay. You said earlier that the worse circumstances arise where you have someone who is a labour hire employee employed casually. That is where they are at their most vulnerable, I think, or most precarious?

**Mr BIRD** — Yes.

**The CHAIR** — Would you estimate that that situation becomes worse still for the employee, typically if they are on a Schedule 1A instrument as opposed to the federal-type agreement?

**Mr BIRD** — Yes, the schedule 1A gives them basically no conditions at all. You get your annual leave and five days sick leave and that is it. Everything else is up to you to negotiate with your employer. When you are a labour hire employee you are not going to get very far when you sit down with your labour hire company and say, 'Listen, mate, before I work for you these are the conditions I want'. They are usually people who cannot find a job in any other way and they go to a labour hire company in the hope that they can find them some work, so they are certainly in no position to determine what the conditions of that work will be.

**The CHAIR** — Just so that I am absolutely clear, in the meat industry at least, the difference between the hypothetical schedule 1A which no people are on, as I understand it, and the standard conditions is quite considerable.

**Mr BIRD** — Yes. There would be some people working in butchers shops who would be on schedule 1A. There would be some people who work in smallgoods factories who would be on that. The wages, I would believe, in both the butchers shop and the smallgoods factory would be over and above what the minimum under that arrangement would be, but the federal award that covers anyone whose employer is a member of the relevant employers association, which is the Australian Meat Industry Group, I think they call themselves now — AMIG — has rates and conditions. The pay, for example, in a meatworks, would be on average \$300 or \$400 a week less than the going rate, by agreement.

**The CHAIR** — Okay, that much! That is useful to know. I also wanted to get clarification on a couple of points. Page 3 of your written submission refers to traineeship arrangements, and you referred to that earlier today as well, in the context of labour hire firms which may be employing trainees under a federal government scheme and gaining incentive payments under that scheme. I gather that is separate from group training companies as such?

**Mr BIRD** — Yes, it is.

**The CHAIR** — It is just an important distinction for us, because there are lots of people making submissions about group training companies. Some are saying that they want that considered separately from labour hire even though they effectively work in the same way.

**Mr BIRD** — They do, and some of those group training companies are used as virtual labour hire companies. I do not think there is much doubt about that.

**The CHAIR** — The group training company body was here yesterday, and it accepted that a percentage of its firms acted in a for-profit manner. I expect that is what we are talking about here. Is your union involved in any group training companies itself? Is there one for the meat industry?

**Mr BIRD** — No, there is not one for the meat industry as such. We are involved in assisting with training and so on. We are involved in the umbrella group Mintrac, the meat industry training association which oversees training in the meat industry. We are on the state body here as well for training within the meat industry, but we are not involved in any group training programs.



**The CHAIR** — The other point I wanted to get some clarification and further advice on relates to ‘phoenix’ operators, or ‘phoenix’ labour hire operators. They set up one day, then they are gone, and the same people re-emerge down the track. Can you give us some examples of that? We are getting lots of information, even from labour hire companies themselves and their association, that says, ‘There are shonks in this industry. We accept that’. But what we are lacking at the moment is examples of the shonks themselves, so I would be interested if you could fill us in, not necessarily now, if you want to come back to us later with examples of phoenix-type operations.

**Mr BIRD** — We could come back to you later. There are at least a couple that I know of where companies have set up their own labour hire company, sacked their work force and then next day employed them under a labour hire company that they control. They have done it, we say, to avoid workers comp premiums. There is an ongoing case — it is not in Victoria; it is in Tasmania — where a Victorian company that went to Tasmania, a crowd called Blue Ribbon, have done this. They sacked their work force, tried to re-employ them under a labour hire company that we say they controlled. I think it is currently on appeal in the Supreme Court in Tasmania. There was a decision of the commission over there that said that what the company had done was wrong. It was appealed, and I think there has been a decision in the Supreme Court which has upheld the industrial relations commission. I think there is now an appeal to that, and a decision should be out any minute, I would have thought, in relation to that. But that is an example of a company that for its own reasons wished to employ people through a labour hire company that it controlled.

**The CHAIR** — We will chase up some more details of that, but any other advice — —

**Mr BIRD** — I will chase up some details about the other one.

**The CHAIR** — That would be very helpful.

**Mr BIRD** — I want to be certain of what I am saying before I say it.

**The CHAIR** — That is fine.

**Mr DELAHUNTY** — Going on from the question from the Chair in relation to group training companies, in my region there are a couple at Stawell. I think the group training company is working with the local TAFE provider to do some training for meatworkers.

**Mr BIRD** — Yes.

**Mr DELAHUNTY** — Have you seen that happen? Is it happening across the state?

**Mr BIRD** — Yes.

**Mr DELAHUNTY** — Is it of benefit in trying to improve the skills?

**Mr BIRD** — Clearly we would argue that anything that gives a worker an ability to learn something is a good thing. Anyone who is taught a skill we would advocate is a good thing. The problem we have is when people are exploited by these traineeships. The argument, as I say, that we have with them is that there are some employers who simply exploit young kids. They bring them on, tell them they are going to be trainees, but they get taught very little. The employer gets the benefit of no compensation for 12 months, and they get payments. Within the meat industry there was a report done some years ago, which I understand never saw the light of day. It found that there were some shonky things going on in relation to training. You now have a situation which is a bit difficult to determine, but, as I understand it, the traineeships for casuals have been banned. You now have a situation where some employers will get over that by having an agreement that says, ‘Even though you do not get any conditions you are deemed to be permanent’. So you get a wage, which is a casual wage, and you are deemed to be permanent for the purposes of traineeship so that when the training authority looks at you these people are permanent, but in fact they are casual.

We are talking to an employer at the minute in relation to this. They are a supply group training company. They are a supplier of trainees to a particular meatworks. They have been doing it for a period of time. Obviously it is of benefit to the company. It would benefit a number of those workers who get the training. Not a great number of them stay unfortunately, but it would be of benefit to some of them. They are being told they can no longer proceed with that because the people have been casuals, because the nature of that particular business is that it does go up

and down a bit. We are talking to them at the moment to try and see whether or not there is some way over it. I might say I have had a bit of trouble getting some information out of the department up there about whether or not they approve of it or do not approve of it. I think I might have a meeting arranged next week to talk to someone up there to see what the situation actually is. Those things can be seen to be intertwined, the labour hire companies and using casuals, supplying labour. Some of it is legitimate and some of it is not. Unfortunately a lot of young kids get exploited in the process.

**The CHAIR** — Thank you very much for your attendance today. I found your presentation to be very useful. You presented it very clearly as well. In conjunction with your written material you have given us a lot to work with. We may come back to you at some stage. I doubt that would be a formal hearing, but we may get together with you informally or simply correspond with you or email you to chase up some other matters. We would like to get hold of that information. If you can provide that to us in due course that would be much appreciated.

**Mr BIRD** — I will certainly endeavour to do that.

**The CHAIR** — Thanks for your time.

**Witness withdrew.**