

# CORRECTED VERSION

## ECONOMIC DEVELOPMENT COMMITTEE

### Inquiry into Labour Hire Employment in Victoria

Melbourne — 11 October 2004

#### Members

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Mr R. H. Bowden

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#### Witness

Mr D. Gregory, General Manager, Workplace Relations, Victorian Employers Chamber of Commerce and Industry.

**The CHAIR** — As you know, the Economic Development Committee is an all-party committee of the state Parliament, and it has been asked to examine and report on labour hire employment in Victoria. We have been running this inquiry for a little while and we have a reporting date of 31 December. This is the sixth or seventh public hearing we have had to date. We welcome your contribution today. Because it is a formal hearing the proceedings are being recorded by Hansard, and we will make a copy of the transcript available for you to have a look at and correct in the next 10 days or so. Anything you say today as part of your submission is protected by parliamentary privilege. Anything you want to provide to us in writing will also be accepted as a submission and accorded privilege, at the discretion of the committee.

**Mr GREGORY** — I thank the committee for the invitation and the opportunity to be involved. I will make a brief comment about my organisation and my role, just to set the context. VECCI is the largest employer organisation in Victoria. We have in excess of 7000 members. We are a multi-employer organisation, in that those employers come from virtually every section of industry in Victoria. We do a couple of things on behalf of our members: firstly, we provide them with a range of direct services, secondly, if they have particular issues we try and assist them. Obviously we also try to be a voice on behalf of business in Victoria generally. I am the general manager for workplace relations, therefore I am responsible for the workplace relations activity that the organisation pursues, both in respect to consultants that we have working with individual employers, and also looking at the sort of policy settings that the organisation pursues.

With respect to this particular inquiry — and I do not want to get bogged down in terminology, but I will refer to it as the labour hire or the on-hired employee services area — we have a large number of those companies within our membership. Obviously many of them would also be members of the Recruitment and Consulting Services Association (RCSA), which is their specialist organisation, but they are members of our organisation to gain access to our industrial relations services, in particular services related to advice and information. They are quite considerable users of our services and I meet with a number of these companies on a regular basis. Because of the business they are involved in they are concerned about understanding not only what is happening at the moment, but they also want a good understanding about what might happen in the future with respect to trends and developments. As I said, I meet with a number of these companies and I find them to be pretty sophisticated in their understanding of employment and industrial relations issues, simply because of the nature of the business in which they are involved.

Against that background I apologise for the fact that VECCI has not made a written submission to the inquiry to date. There is no disrespect intended towards this committee by virtue of the fact that we have not done so. It is to do with a couple of things: at the time submissions were asked for we were embroiled in a couple of other issues, particularly with respect to the common-rule changes in Victoria, the occupational health and safety review. I also met with the Recruitment and Consulting Services Association and was aware of the work it was doing by way of submissions to the inquiry. I am aware of the RMIT study they have commissioned, and I think it is fair to say that in most respects we are generally supportive of the submissions they have made to the inquiry.

For all of those reasons we have not made a written submission to date, but obviously we are happy to be here today, and prepared to provide anything more that might be required in the future. The only other points I make by way of introduction — and these are things that would be well known to the committee — are that there are obviously two very significant things happening in Victoria at the moment that impact on any outcomes from this inquiry. Firstly, seeing the common-rule changes being introduced into Victoria progressively from 1 January next year, as a result of the passage of the uniform systems legislation and the subsequent agreement with the federal government. In respect of my discussions with employers in Victoria — and I have done a series of briefings around the state over recent months — those changes should not be underestimated. With the changes of a decade ago — and I say this without making any comment one way or the other about the rights or wrongs of what has occurred — we saw changes during the coalition government in Victoria in the early 1990s that were very significant by any standard in terms of a framework of industrial relations regulation. They represented probably the most radical deregulation of an industrial relations system that we have seen in this state. I will not make any comment about whether this was a good thing or not, but obviously the pendulum is swinging back and we will see from 1 January next year a very significant re-regulation of the labour market in Victoria. We have already had 12 awards declared to apply by means of common rule. They include the clerical and administrative employees award, which will apply from 1 January. From that date virtually every business in Victoria will need to have some regard to the implications of that particular change. As I said, there are another 11 that have already been declared, and we are working with the Australian Industrial Relations Commission and unions at the moment in response to another 180 applications that are going to be dealt with over the next few weeks and months.

I make the point that we are seeing right at the moment in this state some very significant changes in respect of our framework of industrial relations regulation — a very significant re-regulation of that framework. If nothing else, that is going to significantly increase the minimum employment conditions that will apply generally across the Victorian work force in virtually every sector of employment. It will also, quite clearly, level the playing field in Victoria in terms of the framework of industrial relations regulation. Up to this point employers have had more comprehensive federal award coverage. A large number of others have not been; they have been covered by the Victorian industry sector framework, so we have two different frameworks of regulation applying. In some cases that has certainly provided some competitive advantages for those employers covered by the industry sector framework, as opposed to their federal award counterparts. I simply make that comment as a statement of fact. I am not, by any means, expressing any points for or against the changes I have talked about.

I will say no more, other than to say that many employers have benefited from the deregulation we saw a decade ago — but they are issues for another day. I make the point on that issue that we are already seeing a process of re-regulation that is going to impact on every business in Victoria, whether it is involved in the on-hire employee service area, or whatever industry sector it is involved in. There will be new minimum standards that all will need to have regard to.

The other point I refer to again is the Occupational Health and Safety Act review, the Maxwell report, a process that we have again been intimately involved in. There are many aspects of the report — I think about 138 recommendations — with which we have no problem; we are supportive of them. There are some aspects of it that do cause us some concern, and we are keenly awaiting announcements by the government as to its response to what has been recommended. I again make the point that a number of issues that are going to be relevant in the labour hire area have obviously been looked at by Chris Maxwell in the context of that report. He has particularly made comments regarding the complexity of the labour market these days: some of the changes, the greater involvement of casual employees, of female participation, of labour hire arrangements, of technology changes; and he has made a series of recommendations in response to all of that.

One of those recommendations on which we are very keenly awaiting an outcome from the government are the comments by Chris about the urgent need for guidance material regarding the concept of control in modern working arrangements. We obviously have labour hire companies as members. We also, obviously, have thousands of client companies of labour hire firms within our membership base. Those two distinct groups struggle to understand what their responsibilities are in terms of occupational health and safety, and many of them tell me that it really means that in many cases they are duplicating or doubling up to ensure they are doing the right thing. That is obviously a good thing from an occupational health and safety point of view, but if we are able as a result of the review process to gain some better understanding about control in terms of the responsibilities that employers have to do what is reasonable practicable in their workplaces, that will be a terrific outcome from the inquiry process.

The Maxwell review is a very significant review. It is the first review in Victoria since 1985 when the current framework was established, and we are hopeful that a number of the contemporary labour market issues can be addressed as a result of the outcome of that review process. Focusing on those two issues, I simply say that we are quite clearly not standing still. There are some dynamic processes happening in Victoria that will impact on the labour hire area, as they will on a number of different areas within the Victorian economy; within the Victorian work force.

**The CHAIR** — Thank you, David. That is very concise. VECCI is a member of the Victorian WorkCover Authority's on-hired workers industry stakeholder forum. Beyond being a very big mouthful, how is that going? What is that forum about? Do you attend those meetings?

**Mr GREGORY** — No, I do not. A colleague of mine does. My understanding is that it is not particularly active in terms of meeting on a regular basis. I can give you a report from a colleague of mine if that is an area on which you are interested in having further discussion.

**The CHAIR** — We are. We will be talking to the Victorian WorkCover Authority about that in some detail later on. One of the things that interests the committee in respect of labour hire is that a lot of our discussions have centred around occupational health and safety, which is no great surprise. The Victorian WorkCover Authority has commissioned Elsa Underhill to do a fair bit of work for it. She has met with us and we have had the chance of listening to her and becoming acquainted with some of her material. She seems to be one of the few recognised experts around in the field of occupational health and safety injury rates in the labour hire field.

Her evidence suggests that the injury rate in labour hire is about twice the rate that it is elsewhere. RCSA has a view that there are some methodological issues with that; nevertheless it seems to be quite persuasive. Does VECCI have a view on that — occupational health and safety being a more serious issue within labour hire than elsewhere?

**Mr GREGORY** — We do not have a view that would enable us to contribute to that statistical debate; to say, ‘Here is a set of figures that would refute either one point of view or another’. All I can say is that in my experience with the organisations I have had personal dealing with they have a pretty sophisticated view about their occupational health and safety obligations. They have a pretty keen awareness of what they are required to do. I am not aware of figures or statistics that indicate that the labour hire industry is performing more poorly than other comparative sectors. I am aware of some of the work that some of the bigger organisations have done, some of the medium-sized organisations, in terms of occupational health and safety. In some areas those organisations have been quite significant leaders in industry generally in terms of the comprehensive way they have gone about looking at occupational health and safety, simply because they are aware that they have responsibilities for people that are not necessarily working in their own workplaces. Twenty years ago I would have said something pretty different, but these days they are a lot more sophisticated in their approaches. They are also particularly aware of some of the stuff that Chris has talked about in terms of senior officer liability in the future, simply because of some of the practical issues for them in response to those sorts of recommendations.

**The CHAIR** — We have no doubt, having listened to a number of the big labour hire firms, that they take their occupational health and safety responsibilities pretty seriously. We have Skilled here. They seem to go to an awful lot of trouble and they have documented it. I think they might have the only occupational health and safety system which is accredited to an Australian standard. However, we are not sure that that typifies the industry generally, because there are a lot of players, perhaps, at the bottom level coming into the industry that will not necessarily pay occupational health and safety the same respect, and we end up with some problems on the occupational health and safety front.

**Mr ATKINSON** — One of the things I have been concerned about — and as you said, you have not put in a formal submission at this stage and that is understood; I know you have had a number of things on your plate — is that as Liberal business spokesperson I talk to lots of organisations like VECCI and they all tell me that they want less red tape. One of the things that has therefore bemused me about this inquiry is that most of the industry associations have talked about a licence regime for labour hire companies, which would be a new licence regime. I wonder, notwithstanding that you have not made a formal submission, whether or not you have given any consideration to that proposition, and what VECCI’s attitude might be to establishing a separate licensing arrangement.

**Mr GREGORY** — I think it is fair to say as a general starting point we are not overly excited about additional regulation, be it accreditation, licensing, whatever it might be. I would just make that as a general across the board statement. I know that there has been talk about accreditation. I think even the RCSA did float the possibility of some consideration of a licensing-type regime. We would need to hear a lot more about it to be convinced that was a good way to go.

I refer to the comments that I made earlier about the reintroduction of common-rule award coverage in Victoria and the proposals that are now being considered regarding what more might need to be done in regard to occupational health and safety; both of those two developments I would suggest are significantly upping the ante, raising the minimum standards that are more than likely going to apply in terms of industrial relations, regulation and occupation health and safety regulation. I would have thought that that is a far better way to go in terms of dealing with industry generally, rather than establishing a specific licensing, accreditation or whatever it might be, regime for a particular sector.

In my experience, if an organisation, an employer or whoever it might be, wants to cut costs, they will do so regardless of whatever regulatory regime might be in place. If they are that way inclined, that is the path they will take. Obviously I am not advocating that as a good thing, but the sort of fly-by-night labour hire organisation that might be supplying labour for one particular event, whether it be fruit growing or whatever it might be, I would be surprised if they were particularly concerned about the establishment of a licensing or accreditation regime. They will probably still exist and endeavour to do that they do today, as they might in future under some sort of licensing regime. I would suggest is a far better to try to deal with those sorts of things if we are talking about particular instances in regard to fruit picking or whatever it might be, that the general work occupational health and safety

inspectorate function, labour inspectorate that exists in the industrial regulations area — those are the sorts of things, the established mechanisms that should be brought to bear if there are perceived to be particular problems in a certain area.

**Mr ATKINSON** — You are an organisation that has obviously got a broad-based membership and good coverage throughout Victoria. One of the concerns that we have — and the Chair referred to this before — is that the major companies are well established and do have in place a range of policies and practices that ensure that all employment issues are effectively addressed. The concern we have in a public policy sense is how does the government get out the message if you do not have the regulatory framework? How does the government get out the message to employers that looking at labour hire arrangements, perhaps as an employment option, does not mean or translate to shortcuts on award conditions on OHS responsibilities, on WorkCover responsibilities et cetera? Are there areas that could be looked at as an alternative in a government sense of achieving better practices or better compliance without going to a completely new licensing scheme for labour hire companies?

**Mr GREGORY** — I talked about the organisations that we represent within the industry, or that are members of VECCI within the industry, and we have organisations across the entire gamut, but I do not go and visit Skilled or Adecco too often and I doubt whether our telephone inquiries area hears too much from them either, simply because they are organisations that are large enough to understand the environment that surrounds them and to have a specialist within the organisation providing a range of services. There has been talk about different tiers within the industry. A number of the organisations within the first and the second tier would be our members. They look to organisations like VECCI to provide them with information, guidance, assistance about some of the regulatory issues, the day-to-day issues that they are not familiar with. That is in large part the reason why we exist. That is one clear area where information and advice is got out there into the industry, but I think there are a range of others.

We have seen from time to time in the industrial relations area a particular focus on an industry that is perceived to have a need for more information and advice, certainly within the Victorian WorkCover Authority they have done a lot of targeted work providing briefings, consultations, information material, and they have a very undervalued web site within the VWA about which we are constantly providing advice and referring employers to simply because there is a lot of information there that Victorian employers are not aware of. I am running a briefing in a couple of weeks time where one of the sessions will particularly focus on information that the VWA has on its web site and it is information which we reckon is of terrific assistance to employers in a whole range of different areas that they are not particularly familiar with.

In this climate at the moment, particularly with the Maxwell report, and particularly with the industrial relations changes that are happening, they are of critical importance to this industry. My understanding is that there is a pretty high level of awareness within the labour hire area about, not only the present, but about the fact that there are changes occurring that they need to be aware of. I would have thought it is not particularly difficult to develop information briefing campaigns that the industry would gladly be prepared to be involved in, in terms of simply wanting to understand what their obligations and responsibilities are in a changing regulatory environment. That is a very longwinded answer to your question.

**Mr ATKINSON** — It is a longwinded question.

**Mr GREGORY** — It is an industry, a group of employers that I find very receptive to information briefings because their business is understanding a lot of these issues because they are placing people into environments that are affected by the changes going on around them.

**Mr PULLEN** — What is VECCI's view on the lines of responsibility between the host employer, the labour hire company and the labour hire workers in relation to OHS?

**Mr GREGORY** — I think we probably err on the side of caution. There is quite clearly a shared responsibility at the moment. The labour hire industry has become a lot more sophisticated, a lot more understanding in my experience in terms of knowing that it needs to be aware of the sorts of environments that it is placing people into. They are regularly involved in sending people out to inspect environments. They conduct a whole range of occupational health and safety training for their employees that is both general and specific for the environment that they might be going into.

Some of the points that I made at the outset I think equally apply. The client, the host employer, whoever it might be, are also aware that they have a broad responsibility for occupational health and safety of both their employees and other people who are coming onto their site. In my experience we get complaints that there is doubling up, that there is uncertainty about where the responsibilities do start and finish, and it ends up with both parties taking on that responsibility. Now hopefully that is good from an occupational health and safety point of view in that there is a more comprehensive framework of protection that is put in place, and that there is a better understanding about the potential risks that people might be placed under. But if this report can also provide us with some greater clarity about levels of control when one person's responsibility stops and starts, then that would also be a welcome change in terms of the relationships that we are looking at.

**Ms MORAND** — I have two questions. The first one is on the hold harmless clause. I wanted to know VECCIs position on that, particularly as RCSA's position on the question — correct me if I am wrong here — is that it would like to see legislation disallowing this, abrogating your OHS responsibilities? So that is the first question. Secondly, what do you think the impact of increasing the use of labour hire by industry has on skills and training?

**Mr GREGORY** — As to hold harmless, as I understand from the RCSA when I had some discussions with it when it was talking about that, it does recognise it is a problem when we are representing both labour hire organisations and clients as well. They might have a different view about the problem. I think the RCSA viewpoint was to look at the possibility of something similar to what has occurred in South Australia, where, as I understand it, if a client or a host is prepared to get more actively involved in return-to-work rehabilitation-type activities, they have the potential to gain some immunity from prosecution from the WorkCover authority or whoever it might be, in those sorts of circumstances, so it is an issue. It is an issue that we have had particular concerns about and have raised both with the VWA and with the relevant ministers when it has occurred in situations where a group training company has been involved. Group training companies are obviously employing apprentices. They are assisting apprentices in circumstances where one employer is not able to employ the apprentice for the entire apprenticeship so that person is moved around to different employers. We have had situations with group training companies where the VWA has taken action against a host or a client who has an apprentice, that person is deemed to have been negligent in terms of contributing to the injury or the illness, and the VWA has gone after that employer. On the one hand that is fine and we are very keen to see the VWA do what it can to limit expenditure and to run a tight ship, but on the other hand there are some policy implications in that sort of issue because the group training companies are saying to us that this is going to dissuade some hosts from taking on apprentices.

**Ms MORAND** — Do some of those hosts ask for indemnity?

**Mr GREGORY** — They do, yes, and that is where the issue is at the moment. I know the same thing happens in the other areas of labour hire at the moment where the client or the host is saying, 'If I am potentially going to be lumbered with this particular responsibility and you want me to continue using your services you need to indemnify me against any potential liability that I might have from the VWA.'

**Ms MORAND** — What is your position on this?

**Mr GREGORY** — It is an issue that needs to be clarified, one way or the other. Where people are negligent, then we are not here to protect them. We do not have a particular problem with that, but there are social policy considerations on the other hand in terms of that group training example which I provided. On the one hand we are obviously trying to encourage young people to take up apprenticeships, and we are trying to encourage employers to take those apprentices on. There are some issues there in terms of the way in which the section 138 recoveries operate at the moment.

In terms of the discussions we have had to date — and I think to some extent this has been taken on board by the VWA — we have simply said to them that in appropriate cases we think you should exercise some discretion in terms of whether you seek to take action against a host in circumstances like that, and that there are perhaps a wider range of policy considerations that need to be taken into account before they simply every time get the legal branch to go after a host under section 138. Whether that needs legislative change to enable that discretion to occur I am not too sure, but it is an issue that we have ongoing discussions with the VWA about.

On the skills and training area, again when I look at labour hire, probably 10 to 15 years ago I do not know what I would have said, but I would have had a perception I think that they were more just firing chicken fodder into the

market. These days, in my view, they are far more sophisticated. In many cases they are at the leading edge in terms of some of the work that they are doing in circumstances where we have situations where there are skill shortages within the Victorian work force for all sorts of reasons, and labour hire companies are actively looking to market their products to potential clients by simply saying, 'We can fill the gaps that you are not able to fill yourself. You are not able to find these skilled people in the work force, we have got them, we are developing them and we can provide them for you'. So for all sorts of reasons, but particularly as much as anything because it is a good market opportunity for them, they are looking to develop the skills of their employees to fill gaps that they see emerging in the market.

I would have said something different perhaps 10 to 15 years ago. I would certainly have a different view about the lead role that they are taking in many cases in terms of developing the skills and the abilities of their employees. They have in many cases not only targeted programs where they are looking to try to fill gaps, but they have genuine programs within their organisations where as a matter of fact they look to upskill the abilities of their employees simply because they reckon that will make them more marketable in terms of being able to place them in the broader work force in the future.

**Ms MORAND** — Would you say that is in the majority of cases?

**Mr GREGORY** — It is impossible, even within the group of our membership; I could not give you a view about that, although I could certainly speak about some with first-hand knowledge. But I would say it is increasing across the board because the ones that are not will not be able to compete with the more sophisticated ones that are. I would think generally most are much more aware of the need to maintain the skills and abilities of their employees than they were previously. I would have had a view some time ago that they were simply about filling gaps, but I have a much more dynamic view about the sorts of services that they are looking to offer now.

**The CHAIR** — I have a couple of things that I want to come back to. The first relates to this issue of joint responsibility. It is generally accepted that there is no better principle or no more refined principle that could currently be applied than the principle of joint responsibility or that that in individual circumstances could be looked at and re-evaluated, but we accept joint responsibility. One of the things that has been brought to our attention is the way in which a relatively new labour hire firm advertises itself, and I just want to quote to you from part of its web site and get your response. This particular company is a family-owned company, established only a few years ago. It advertises 'What can you gain?' as employers, and one of its final dot points is:

No more workplace health and safety issues.

And it goes on under the heading of 'Your rights and responsibilities' to say:

You direct the workers and are in total control ...

It seems to me that is unrealistic. You cannot divorce yourself of OHS responsibilities whilst having total control of the workers via a labour hire agreement, and anyone who puts themselves out advertising that sort of a service for an outcome is kidding themselves, certainly kidding the employers for whom they advertise. There are a few other things on the web site, but do those points and the way that is presented strike you as questionable?

**Mr GREGORY** — I hope that organisation is not a member of ours. Without knowing which it is, I would not like to go into bat for that sort of pitch. Regardless of the legislative framework, I do not think any of us are about accepting that we say to whoever comes onto our work site — whether it be one of our employees, a visitor or a customer, or whoever it might be — 'We have not got any responsibility for that person's health and safety'. I would have thought most of us would have a view that probably the pre-eminent responsibility that we have on our work site is to make sure that they are in an environment that is safe and healthy. Without saying much more, I would be battling to defend that sort of approach.

**The CHAIR** — It strikes me that your view reinforces my own. I have reservations that anyone can simply say, 'Hire us and you will be devoid of responsibilities that you would otherwise have'.

**Mr GREGORY** — If Mr Maxwell gets his way, they will be battling. He is talking about all sorts of upstream, downstream, cross-the-river obligations that would extend in all sorts of different directions.

**The CHAIR** — One of the related concerns when I look to this issue is: what labour hire firms ought to be equipped to do by the nature of the work they do. I understand that there is this eternal argument as to whether

labour hire firms ought to have ease of entry into and out of the economy or whether they ought to be equipped in a way that allows them to discharge what we consider to be reasonable obligations. There are two reasonable obligations. Firstly, the OHS obligation, because they are placing their workers into other people's workplaces. You would imagine that just by definition that exposes their workers to a higher risk or to a change of risk. That, in itself, can bring about problems. Secondly, the return to work obligation. If we accept that as a general OHS principle and I have my workers essentially working at other people's workplaces then I have to be fairly well resourced to deal with a return to work obligation because my clients have no interest in holding onto or paying for injured workers. That I will manage that is a part of what they are paying me for. It just seems to me that as much as we want to have a system in which companies can set up and come in and out of the economy, labour hire firms have to operate under a special obligation. Regardless of how small they are, they have to have a capacity to manage those returned to work. They have to have a capacity to manage the OHS: to inspect other people's workplaces, to make risk assessments and all of that. That seems to me to create a problem for very small labour hire companies. It is not realistic to say to them that they should be able to come in and out of the economy without any obligation upon them. Because if we are simply saying that there is no barrier to entry, are we not perpetuating a system in which those who have returned to work are going to be a massive problem for those small labour hire companies?

**Mr GREGORY** — I am certainly not advocating a system where we say there are no barriers to entry. I am talking about a system where we say that there are regulations particularly in regard to occupational health and safety and industrial relations. I have said at the outset that we are seeing some fairly dynamic changes in both of those areas. Our view would be that those existing frameworks can do with some refinement, but I guess what we are really saying is that we do not see the need for some completely new regulatory framework simply to deal with labour hire. We certainly accept that there are particular issues that they have in the occupational health and safety area. I have tried to make the point that my view would be that many of them have, firstly, worked very hard to try and understand the nature of those obligations; and secondly, to put in processes within their organisation that enable them to meet their responsibilities. When you get down to the ability to inspect a work site, my view would be that for many of them who do not have the capacity and for whom it is not something they have negotiated as part of their contractual arrangement with a client, then they should not be entering into the contract in the first place. It obviously depends on the particular site. We might have some views about the nature of an office environment as opposed to a manufacturing environment in terms of which may potentially have more issues. But if they are not satisfied in that regard, they should not be entering into the contract. I have been told by the companies that from time to time they do knock back potential clients simply because they are not able to satisfy themselves about the nature of the environment and the environment into which they might be placing their employees.

We are really the meat in the sandwich in terms of the return to work issue. When I talk about our members as clients, they would not thank me for saying that they should be responsible for taking on greater return to work obligations in regard to labour hire employees. On the other hand we would support a sensible approach to return to work issues: it is appropriate as far as possible that injured employees can be found alternative work and they can be given appropriate rehabilitation so that hopefully they can return to normal work capacity. Obviously the labour hire industry would like to see greater obligations imposed upon clients to be involved in return to work activities. Labour hire firms, by virtue of the fact that they are placing people in a whole range of different functions in many cases, often have some ability to provide or obtain alternative duties for a person that might have suffered some injury or whatever. Again, there are some conflicting views about what we might say is a representative of client employers as opposed to our views about some policy issues in regard to return to work. If there can be some further discussion between the industry and employers generally about some constructive approaches in this area, then we will certainly assist return to work issues.

**Mr ATKINSON** — The only other thing that I was going to ask before — it was not a major issue — was: in terms of the use of licensing regimes and so forth, does VECCI have any experience or view of the use of those schemes as a barrier of entry to new competitors coming into an industry?

**Mr GREGORY** — It is difficult to think of a comparable situation — you might be able to suggest to me that I cannot think off the top of my head — to what might be proposed in this area. Quite clearly, there are licensing regimes in place in areas where there is a specific identifiable degree of competency or technical ability that is needed. You can perhaps readily identify that and say: 'Yeah, look this person or this organisation does not possess that capability. They probably should not be doing a particular form of work'. This a lot more vague — and I do not know whether 'vague' is the right word — but it is a far less precise area to suggest that a particular



licensing or accreditation regime could automatically deal with whatever particular problems are perceived to exist in the industry.

On the one hand we could probably have another three day debate about what, if any, problems there are associated with the labour hire industry before we started to consider what the responses to that might be. As I have said, there are some dynamic things happening already which are significantly going to increase the minimum standards in Victoria. On top of all that, I would have thought that education, information, briefings and consultancy are going to be far better ways of spreading the word when you are only talking about one particular specific industry sector.

**The CHAIR** — The committee is obliged to put a report in by 31 December, but what we find is that the more we talk to people the more that we find that there is still more to learn. The hold harmless provisions and the way that they work is a good example. The whole connection with casualisation is another side of it that we have not explored fully. The issue of registration and licensing is one that, as Bruce quite correctly points out, a number of industry representatives have indicated a willingness to accept. I believe that it is warranted, but the real devil is in the detail. You can have registration systems and you can have registration systems. It may well be that in our report we make general recommendations and seek to continue our investigations further. I heard you say that you think these are the sorts of things that VECCI would like to be involved in discussing. Would you have an issue with us if we bought out a report that flagged these things in a general sense and that we continued in our work of being able to put in further submissions later on?

**Mr GREGORY** — We would not. We would probably see that as a constructive way to go. To me the issues are not black and white in all of this. When I looked 10 or 15 years ago, I would have said, 'Yeah, perhaps this is a different story'. But we are talking about an area that is changing. Issues are not black and white and may well be worthy of further consideration. We probably have been a bit tardy in the past, but we would be more than happy to be actively involved in considering any particular issues in the future.

**The CHAIR** — Thank you for your time. We appreciate it and it has been very useful for us. We will make sure we get a copy of the transcript to you in about 10 days or two weeks. Have a look at it and get back to us.

**Mr GREGORY** — Thank you for your time.

**Witnesses withdrew.**