

DEPARTMENT OF ECONOMIC DEVELOPMENT,
JOBS, TRANSPORT AND RESOURCES

PAEC PRESENTATION INDUSTRIAL RELATIONS

21 MAY 2015

Department of
Economic Development,
Jobs, Transport & Resources



THE PORTFOLIO

Minister for Industrial Relations – Core Responsibilities

- As Minister for Industrial Relations, I have responsibility for seven Acts covering areas including:
 - long service leave
 - protections for outworkers
 - owner drivers and forestry contractors
 - Victoria's reference of industrial powers to the Commonwealth.
- I also oversee the development of IR policies to govern our dealings with our public sector employees and their unions, and ensure that enterprise agreements are negotiated efficiently.
- My role includes advocating to ensure that the national workplace relations system meets the need of Victorian employers, employees and the economy more broadly.
- I am also required to finalise submissions to, or participate in, major workplace relations inquiries and cases
- Where industrial disputation is significantly affecting the State I may be called upon to intervene in the State's interests.

MAJOR ACHIEVEMENTS

Advocating Victoria's interests in private sector industrial relations

- Examples of our involvement in private sector IR matters include our submission to the current Annual Wage Review in the FWC, in which we:
 - Call for a pay increase for the one in six Victorian workers on award minimum wages; and
 - Highlight our significant concerns about growing wage inequalities for workers on minimum award wages.
- We have also made a comprehensive submission to the current Productivity Commission review of the Fair Work laws, in which:
 - We call for action on the growing gender pay gap;
 - We also support the maintenance of a fair safety net of conditions including modern awards, a minimum wage and penalty rates; and
 - We also call for attention to be paid to problems associated with bullying, insecure work, labour hire and sham contracting arrangements.

MAJOR ACHIEVEMENTS (PART 2)

Enterprise Bargaining Framework

- The Government has endorsed a new approval process for public sector agreements as part of its pre-election commitments to:
 - commence negotiations six months in advance of the nominal expiry date of existing agreements; and
 - approve new agreements within two months of receiving them from a public sector agency.

Wages Policy

- The Government is developing a new wages policy that will deliver fair enterprise bargaining outcomes and recognise the contribution of Victorian public sector workers to improved services for the Victorian community.

Award modernisation

- We have also made a submission in the local government award modernisation proceedings to preserve the existing safety net for redundancy.

BUDGET 2015-16

Overview of very high level budget for 2015-16

- The budget provides funding of \$600,000 per annum to establish a Central Bargaining Unit within my Department.
- The Unit will play a strategic negotiation role in major public sector enterprise agreements, and aim to improve communication with agencies, employees and unions to deliver a more efficient enterprise bargaining process.
- It will also provide advice to Departments and agencies about their obligations and rights as employers under the Fair Work system.
- In addition, the Unit will consult with unions and agencies on revised policies to govern industrial relations in the public sector.

LOOKING FORWARD

Private Sector Industrial Relations

In the year ahead the key initiatives and priorities of the Government are:

- to commence an inquiry into insecure work, sham contracts and some elements of the labour hire industry. (I note on this issue that Minister Pulford has been asked about a grant to Covino Farms and undertaken that no payments will be made to Covino until it has demonstrated its compliance with its legal and contractual employment responsibilities).
- We will also undertake a review of the Long Service Leave Act 1992 to ensure it is operating effectively and meeting the needs of both Victorian employers and employees.
- In addition, the Economic, Education, Jobs and Skills Committee of Parliament will conduct an inquiry into employer schemes that provide portable long service leave for Victorian workers.
- We will continue to monitor the modern awards review process and, if appropriate, participate to advocate Victoria's interests; and
- We will participate in significant inquiries and cases when it is in Victoria's interest.

LOOKING FORWARD

Public Sector Industrial Relations

In the year ahead the key public sector IR priorities for the Government include:

- Bedding down the central bargaining unit, as I mentioned earlier;
- Reducing adversarial bargaining disputes across the public sector;
- Promoting public sector agreement outcomes that are both fair and sustainable through good faith bargaining with public sector workers and their union representatives;
- Developing new industrial relations policies, including the wages policy, which aim to support collective bargaining and govern public sector IR matters generally;
- Expanding, through legislative amendments, the range of matters that can be included in public sector enterprise agreements under the Commonwealth Fair Work Act; and
- Bargaining for major new agreements covering Victoria Police, the Victorian Public Service, Health workers, Nurses, and Teachers, among others.