

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2002–03 budget estimates

Melbourne – 23 May 2002

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Mr J. Lenders, Minister for Industrial Relations;
Ms D. Goodin, Executive Director, Corporate Services; and
Mr P. Lorraine, Executive Director, Industrial Relations, Department of Innovation, Industry and Regional Development.

The ACTING CHAIRMAN (Mrs Maddigan) — I declare open the Public Accounts and Estimates Committee hearing on the budget estimates for the portfolios of industrial relations and finance. The Chairman, Peter Loney, is currently overseas attending a meeting of the South African public accounts committee and I have been asked to chair in his absence. I would also like to put in an apology on behalf of the Honourable Theo Theophanous, who has had a death in the family.

I welcome the Honourable John Lenders, the Minister for Industrial Relations; Ms Debbie Goodin, Executive Director, Corporate Services; Mr Paul Lorraine, Executive Director, Industrial Relations Victoria; other departmental officers, members of the public and the media.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All the evidence given today is being recorded and witnesses will be provided with proof versions of the transcript next week. I ask anyone in this room who has a mobile phone or any other device that makes a loud noise if they will turn them off, please.

I invite the minister to give a brief submission on industrial relations first, and then we will go into questions. I welcome the minister; this is the first time John has been before the Public Accounts and Estimates Committee, so we will be gentle with him, won't we, Roger?

Mr HALLAM — So we are not allowed to interrupt, is that right?

Mr LENDERS — I just wonder if that was a commitment on Roger's part or just a non-committal shrug!

I will go through a brief presentation, as suggested, on the industrial relations system.

Overheads shown.

Mr LENDERS — The first slide there shows our objectives for building a better workplace. In *Growing Victoria Together* the Premier identified the role government plays in creating a positive industrial relations environment. Industrial relations is about creating conditions for Victorian workplaces to grow and prosper, and for those gains to be shared fairly.

The Bracks government believes that future growth will be built on balancing innovative, high-performance workplaces with outcomes that are fair and improve the quality of working life. Industrial Relations Victoria has identified a number of key objectives in order to fulfil the Bracks government's vision. IRV has also developed strategies to achieve these objectives. The strategies for the first objective are listed on the second slide. They are:

to identify innovative workplaces and promote the value of creating and sustaining high-performing workplace cultures based on cooperation and partnership;

supporting unions and employers who are willing to take a cooperative approach to managing workplace change;

to assist parties to industrial disputes to develop long-term solutions to their problems;

to provide incentives to workplaces to adopt innovative approaches via the Partners at Work program; and

the Premier's awards for Partners at Work and assisting existing and potential investors with their industrial relations strategies and issues; and

sharing this information with others via seminars and case studies.

The second objective is the development of a fair system of industrial relations for all Victorians. The strategies we have to achieve this second objective include:

advocating national industrial relations reforms consistent with our policies;

leading debate on industrial relations issues in ministerial forums — and I will be heading off after this hearing to one such forum which we are having in Sydney tomorrow;

finalising the review of the legislative and administrative arrangements that govern child employment laws in Victoria;

continued development of the new workplace information unit, which provides an education service for employers and employees; and

assessing and monitoring compliance by Victorian legislation with Australia's international treaty obligations.

Our third objective is to promote a partnership approach throughout the public sector. The strategies to achieve this objective include:

working with public sector unions to develop a high-level framework agreement;

using enterprise bargaining in a productive way to improve working conditions and the delivery of services;

assisting in supporting public sector organisations to better deliver their services to the community with fiscal responsibility;

providing information services on the rights and responsibilities of employers and employees through the workplace information unit; and

continuing the regional high-performance networks program established in 2001 to assist public sector and local government agencies develop this practice.

I now turn to the Bracks government's priorities for this financial year in respect of these objectives and strategies. Our priorities are: to promote the benefits of a cooperative partnership approach to industrial relations between employers, employees and their representatives — this partnership approach is essential to the government's Growing Victoria Together strategy; to continue the development of the workplace information unit to deliver advice and educational services — these are targeted to employers and employees, particularly those in small business and regional locations across Victoria; to advocate reforms to federal laws which govern Victorian minimum employment conditions — and this is a particularly critical one for us because we have on the table a request of the federal government regarding schedule 1A workers, and we hope Minister Abbott, to whom I have written again recently, will take on board and act on it; to develop and introduce reforms to the legislation relating to child employment; and to continue to develop a partnership approach across the public sector.

This is also reflected in the outputs in the budget papers. The slide before you now highlights some of the key outputs in budget paper 3 for industrial relations services and policy. The output for IR services seeks to provide accessible and meaningful information, advice and assistance to stakeholders in Victoria. The needs and requirements of business, employees and community organisations require a broad range of industrial relations services, which was initially recognised in 2000 by the industrial relations task force. The Bracks government, firstly in its Growing Victoria Together strategy and recently in its Building Tomorrow's Businesses Today package, reaffirmed its commitment to these services. The output focuses on the timeliness of such service delivery, as this is a critical issue in industrial relations and time is almost always of essence.

The outputs for the IR policy aim to contribute to a fair and cooperative industrial relations environment in Victoria. To do this effectively, Industrial Relations Victoria represents Victoria's positions in major industrial relations cases. These outputs also reflect the fact that the policy group services both the public and the private sector. Committee members should note that the government has agreed to fund the Partners at Work program for \$3.6 million over the next four years. This again demonstrates the government's commitment to cooperative workplaces.

The ACTING CHAIRMAN — You referred in your presentation to the Partners at Work program, and I think there is something like \$3.6 million in the budget for that program. Can you give us an outline of what you hope to achieve with that program and how you hope it will work to provide cooperative workplaces in the future?

Mr LENDERS — It is very easy to focus on the negatives of industrial relations and for people to lament and say, 'Things could be better' or 'We'll be ruined' every time there is an industrial disputation, and it is very easy in responding to those situations to say, 'It is a role of the government to foster a cultural change in a work force'. Having said that, we are a government that is not just about identifying problems — that is easy for everybody to do — but also going to the next step to actually find solutions to those problems. If we are trying to bring about cultural

change in work forces, the Partners at Work program is a very effective means of going into individual workplaces and trying to start dealing with the cultural change we have been talking about that we need in workplaces.

Our approach to industrial relations is that we want cooperative relations between employers, employees and their representatives, whether they be employer organisations or unions. The Partners at Work program does a number of things that assists us in that. It is easy for us to say that we are looking for a culture of change that involves worker involvement in how a workplace operates, the involvement of stakeholders in business and operational decisions, flexible work design, decentralised decision making, skills development in employees and supporting ongoing innovation, but the Partners at Work program means that when individual workplaces come to us with a program which identifies the need for change in these types of areas, then we as a government can assist them by matching them dollar for dollar on these approved areas up to a level of \$50 000.

I have been through a number of workplaces, as I guess all members of this committee have. If you visit the people at Toyota in Altona, they will take you through their workplace and show you an amazing series of efforts that the company and the work force put in so that everybody is actually a partner in that work force. That culture might include the identification of the objectives of the company; half-hourly, hourly or weekly reporting by various teams; or explaining why a style of product is important to customers overseas where a lot of their work comes from, and that culture means that the work force has ownership in many senses of the word over a process, and that is very important.

It is easy for us to identify areas that work well and it is easy for us to identify problems, but if we can assist companies in building up that culture that will be a critical area if we are serious about cultural change in the work force. The Partners at Work program lets industries or workplaces come up to us and say, 'We believe we can bring about a series of changes in our workplace that will be a win-win for everybody. Government can assist them by matching up to a certain level the dollars that that will involve, and we think the more enterprises we can do that with, the more serious we can be in delivering that cultural change in workplaces, to which we are all committed, and we would certainly like to foster that.

The ACTING CHAIRMAN — Are there any constraints on the size of companies that can be part of this program, or is it fairly much open to all?

Mr LENDERS — I do not think there are constraints. I might ask Paul Lorraine to answer that. I am confident there are not.

Mr LORRAINE — There are no constraints, no. It is really looking for companies that are displaying that type of new approach on which to model that behaviour. There is no restriction on the size.

The ACTING CHAIRMAN — The Toyota model has been a leader for a long time now in terms of involving its staff in management issues and the performance review it does of its bosses and so on. Has one person in Toyota developed that or is it a model it has got from somewhere else?

Mr LENDERS — From Toyota's perspective it is something that it endeavours to do worldwide. Obviously every plant operates in a different culture so there is not one model that fits all and that would be ridiculous to try, but that is the responsibility of a number of very senior personnel in its Melbourne operations, and they do a lot of amazing things. They keep their production teams — the shifts and even the people who work on them — as stable as they can, so there is a whole team effort all along, with charts and performance targets. It is not just done because Toyota wants to do it for profit — for example, it extends to the quality of goods for an export market. When I visited them they gave the example of marketing cars to Saudi Arabia, and one of the cultural problems they had with Saudi Arabia was that some of the windscreens were marked with small crosses, which was a symbol of one of the glass manufacturers, and Toyota ensured that the production team was culturally sensitive to what they put into those cars. Toyota took its work force through and explained, 'This type of glass needs to go into these cars and this type needs to go into those cars'. It explained that these things were important because it would make a difference to the market at the other end.

There is a bit of competition between teams there as to who achieves these targets, but ultimately the work force understands what the company is trying to do. The company conveys to them that by

partnership there will be jobs and growth for everybody, and like with any company it has difficulties, but as a result of this cultural change it is progressing very well.

Mr HALLAM — Can I have the last chart back on the screen, please? Why are the last two figures different from those that appear in the budget? Why is that?

Mr LENDERS — Whereabouts in the budget papers?

Mr HALLAM — At page 173 those figures appear as 6.7 and 5.4. I hope you are not going to tell me this is just a rounding error.

Ms GOODIN — Page 173 of budget paper 3 says 6.6 and 5.3.

Mr LENDERS — For the 2002–03 targets.

Mr HALLAM — Which is different. Mine says 5.4 and 6.7.

The ACTING CHAIRMAN — You are looking at a different column. It is 2002–03.

Mr HALLAM — I stand corrected. Can I go then please to the question that we raised this time last year. When your predecessor was with us, she was quite excited to talk about a development that was taking place within her ministry. It involved the establishment of two quite new units. One was titled the development unit and the other the effective organisations unit. My question is whether those units have been established and, if they have, what effect you would claim in respect of that improved structure as to the outcome of industrial relations services provided to your stakeholders?

Mr LENDERS — Thank you for that. Certainly the effective organisations unit is up and running, and I think the development unit we use another name for, but both units are up and running. Your question then is regarding what effect that has on services to — —

Mr HALLAM — Let me go back one step. Are you proceeding with that restructure?

Mr LENDERS — Yes, those units are up and running. They have been in place certainly since — —

Mr HALLAM — Precisely as described to us last year?

Mr LENDERS — Precisely as described last year? I do not have the minister's response last year in front of me, but I can certainly describe what both organisations are doing, and I think given that they were created by the previous minister, I am sure they will be exactly what she flagged would happen.

The effective organisations unit has been put in place to promote and provide appropriate support to organisations that are seeking to develop more cooperative industrial relations and human resources practices. Again, we are going out to encourage those practices and I have already described in response to Judy's question one particular area of what that unit does, which is all about promoting partnerships and government assisting those organisations that want the cultural change in partnerships. In that particular sense that is probably the most concrete example. I could go through other ones as to what we are doing to improve workplace practices, improve stakeholder relationships, help solve business problems — those sorts of areas — but that is a very concrete and positive outcome from the effective organisations unit.

It does other things as well. It organises a series of public seminars and workshops where it assists in industry — provides advice in developing cooperative approaches. It does all those sorts of things to people who come into the unit and seek advice, but it also tries to proactively to go into the much broader community and bring in people for a far more hands-on approach in the Partnerships at Work area.

Mr HALLAM — So how would you assess the success or otherwise of those new structures? What is it you can provide to the committee to demonstrate that that is a step in the right direction?

Mr LENDERS — The applications for Partners at Work close on either the 30th or 31st of this month, so in an sense it has been set up in this financial year. The first lot of projects will be announced in June, so in one sense to see how the Partnerships at Work programs are operating, I cannot report back to the committee on that because they will be only be operating after 30 or 31 May. However, there has been a very significant response from industry. Paul might assist me with this, but I think there are over 200 queries already about people seeking information and advice to put in applications on this.

Certainly we as a government, by the fact that we have extended it into the forward estimate years, are confident that this is an approach to adopt. Again, with the organisations that I mentioned, we talk about the importance of building partnerships and fostering a culture. We believe that is a very pragmatic, hands-on way of assisting those industries that wish to go down that path. I think that is the answer, although because none of the projects will be up and running until a few weeks time — it is theoretical at this stage.

Mr HALLAM — Is that not covered by your output described as ‘Delivery of private sector industrial relations services to government and client organisations’?

Mr LENDERS — It is not necessarily an industrial relations service. You could call it an industrial relations service, and I guess it is, but I would see that in a more traditional sense as something that comes more as advice from the department.

The ACTING CHAIRMAN — Page 172.

Mr HALLAM — Minister, with respect, it is not a matter of what I call it. I am reading from a budget document which describes this as ‘Delivery of private sector industrial relations services to government and client organisations’.

Mr LENDERS — Yes, I would describe it as that.

Mr HALLAM — Thank you. Can you also explain why you are not prepared to do more than describe as a unit of measure a yes/no test as to whether it has been successful?

Mr LENDERS — Are you suggesting we have a percentage test or some other form of test?

Mr HALLAM — You are the minister; I am just a humble questioner here. I would have thought there has to be something better than a yes/no; and might I also add that in terms of targets for future years you have actually included a test which says ‘not applicable’. I would like to know that there is something more at the end of the line than ‘yes’, ‘no’ or ‘not applicable’ when the description by your predecessor was that this was a very important part of the industrial relations strategy by your government.

Mr LENDERS — That is an absolutely valid point; I will accept that. The issue, though, is given that it is very difficult to put tests into the out years when we are only allocating the first amounts of Partnerships at Work money now — the projects will be up and running after 30 May — once we see them up and running it will be a lot easier to put targets on them and decide how we will assess them than at this stage when we have allocated the money for them. But we have not as yet had a chance to evaluate them in operation.

Mr HALLAM — Can I take that to mean that you will offer the committee something better than a ‘not applicable’ target for the next years in the future assessment of those outputs?

Mr LENDERS — No problem.

Mr HALLAM — Thank you.

Ms BARKER — You gave us some advice on the Partnerships at Work program. Can you give us advice on what other initiatives you may be taking in industrial relations to encourage and promote cooperative workplaces and good performance in those work places? Are there other initiatives as well as the Partnerships at Work program?

Mr LENDERS — Thank you for that. Certainly, Partners at Work sets the scene for the type of approach that we wish to operate. Partners at Work puts in place for us a framework where we can provide financial assistance, but certainly we need to go further than that. We wish to showcase business enterprises that have high performance work practices — that is an important thing — whereas Partnerships at Work is to go out there and try and bring the cultural change by us assisting organisations.

We have also had this year for the first time the Premier’s awards for partnership at work for high performance work practices. We launched this in February this year, and the whole purpose was to recognise and showcase organisations that had developed a partnership approach to work relationships. Again, like a lot of these things, we can identify negatives in a community and it is very easy for people to do, but we also feel it is very important for a cooperative industrial relations environment to be also showcasing the positives. Like any approach to how a workplace should be — how a society should be — it needs to be both. We need to focus on the positives. The Premier’s awards are certainly a very positive way we can do that. The awards will consist of three categories: the Premier’s award for partnership in a workplace of over 100 employees; a similar

one for partnership in a workplace of less than 100 employees; and then the Premier's foundation award for an organisation of any size making significant progress towards developing a partnership approach. Again, this for us is very important. The awards closed on 10 May. Quite a few nominations came in from various organisations and enterprises that thought they should be showcased in this way for the great contribution they had made for high performance workplace practices.

There is a panel at the moment appointed by the Premier which will be advising him of who the winners should be. There will be an announcement in front of their peers, and that will be most of the major industry groups in the state — the employer/employee organisations, a lot of very good workplaces, large companies, a whole range of them. There will be a presentation made to these three different organisations that meet this criteria, whatever they may be. It is something for small and medium enterprises that are meeting these high-performance workplace practices — one for the larger organisations and then a stand out one on its own. That is something we think will assist. I reiterate the point that the whole purpose is to try to change workplace culture. Across this state we have exemplary workplaces by the thousands that never get a mention because the community likes to focus on the negatives rather than the positives. It is not a good news story to say Toyota in Altona has good workplace practices. This morning there was actually a community consultation at the Surf Coast Shire. I visited a printing company in Geelong that has for 120 years been a family company. It is expanding its business, importing machines, and is a cooperative workplace, but that is not a news story. The news story is when something goes wrong or an industry closes. We want to focus on Victoria being a good place to invest, a good place to work in, and one of the ways we can do this is by the Premier's awards.

Mr CLARK — Page 208 of budget paper 2 refers to funding being provided for a new division within the Department of Premier and Cabinet to lead public service employment issues and represent the interests of government as an employer, and that involves, the papers say, a transfer of functions from the Office of Public Employment and Industrial Relations Victoria. The cost of that new program is \$2.3 million per annum. However, your budget for the industrial relations output group has been reduced only from a budget of \$12.1 million last year to \$11.9 million — in other words, a \$200 000 reduction.

I also see at page 172 of budget paper 3 that the performance measure of 'advice on public sector employment conditions and partnership arrangements provided within agreed time frames' is continuing. Is this a duplication between the Department of Premier and Cabinet and your department? Why is it that \$2.3 million has been put into DPC and only \$200 000 cut off your budget? More generally, I understand you have 65 employees within the industrial relations portfolio, particularly if responsibility for public sector employment is being transferred to the DPC what exactly is left for those 65 employees to do?

Mr LENDERS — You raise a number of things. Firstly, on the issue of, I take it in general terms, how it relates to the industrial relations portfolio and what services are being provided by the DPC, that is really a question that should be raised in that particular part of the estimates hearings. I will certainly address the areas as they relate to Industrial Relations Victoria. You would be aware that in every government there is always a number of different ministers or portfolios coordinating some areas, and that inevitably happens. In this one some of the policy functions that were previously being done in IRV are being strategically coordinated through the DPC, and that is reflected in that amount that has gone with some staff over to that unit. The role of IRV remains that it is a central government agency that has a coordination and particularly an advice role across all departments, where departments come to us for advice. Some of those functions and personnel will have gone across to the Premier's department in his role effectively as minister for the public service — I do not think he calls himself that but he has ministerial responsibility for that area. That is where that transfer reflects.

I think your general question about what the remaining employees of IRV do is very pertinent, but some of the areas I have already responded to reflect some of the tasks of the employees of IRV. Firstly, it is a very new section. While it has incorporated functions from previous departments following the change of government, clearly under the administrative arrangements when this government came into place there was a presumption that there would be more functions, which

obviously were changed with the defeat of the Fair Employment Bill in the Legislative Council. From its inception, Industrial Relations Victoria has had to adjust its role and place from the functions the government originally thought of for it. Some of them have changed; there are new functions that have come to it. Some of the functions, such as the information unit, are a consequence of the Fair Employment Bill not going through the Legislative Council. I will continue to change its role and operation and functions, and those movements of that coordination role are simply a part of that.

Mr CLARK — On the public sector side, do I take it you are saying that while the Department of Premier and Cabinet will be leading public service employment issues, to quote the budget paper, your secretary is still involved with public sector employment issues? If I am right in that assumption does that not mean that in effect you are being second guessed or supervised or macro managed by DPC? Why bother to keep a function in your area if the same role is being led from DPC?

Mr LENDERS — As you would be aware, traditionally DPC under all governments has had an overall policy coordination role across all departments. While you have a central government agency like you have with DPC, there will always be an element that is done by DPC — an element by the department. This is strategic policy advice, as you are saying, and as is in the budget papers, but you will find that day-to-day assistance in administration and advice to various areas of the public sector will continue to come from IRV. It is a very collaborative and cooperative arrangement between the two areas.

Mr HOLDING — One of the consequences of the upper house voting down the Fair Employment Bill, as well as abandoning outworkers in the garment industry, was that they also abandoned the efforts we were making in relation to the schedule 1A workers. I am interested in following up some of the comments you made in your presentation about what the government is doing to address particularly the information needs of those workers. You mentioned that you had written to Tony Abbott, and I think you said you had not received a response yet in relation to that. Can you take me through some of the steps the state government has taken to address the information needs of the so-called schedule 1A workers?

Mr LENDERS — Schedule 1A workers are an incredibly unfortunate group of people in the industrial relations system. They are the neglected people in the industrial relations system. First and foremost, everybody else in the country, other than Victorian schedule 1A workers, has 20 allowable matters in their industrial conditions. Schedule 1A workers have five conditions only that are required to be in their terms of employment. There are issues that are as unclear as, is a person even required to be paid after they have worked for 38 hours, let alone what the rates of pay should be or whether they are entitled to bereavement leave and a whole lot of other issues that everybody else in the country takes for granted as an entitlement.

The legacy is that Victoria referred all its industrial relations powers bar two to the commonwealth back in 1996. This is a legacy where people are left on a limb. We have asked the commonwealth to treat the schedule 1A workers like the equivalent people would have been treated in both the territories, where the Australian Industrial Relations Commission can make common rule awards for people to deal with a lot of these areas. The commonwealth has rejected that. I have again written to Minister Tony Abbott asking him to reconsider that. I will be raising that matter with him tomorrow at the workplace relations ministerial council.

Your specific query arising out of that, being the one of information being provided to these people, again if a person who is working in a small to medium enterprise is not sure of their particular entitlements we are trying to provide that information. We have set up an information unit within Industrial Relations Victoria. It refers a bit to one of Robert's questions: what are people doing in IRV? This is a unit of 10 people that deals with the schedule 1A workers, so if a person does not have representation or feel confidence to find information themselves they can go to this unit. It similarly applies to small to medium enterprises. Most people and organisations in the Victorian community will have either employer or employee organisations that look after them, whether it be small businesses or businesses that are part of the Victorian Employers Chamber of Commerce and Industry, the Victorian Automobile Chamber of Commerce, the Victorian Farmers Federation, or any other industry organisations, or workers who are members of trade unions. Generally people will

go to those organisations in the first instance to seek advice on employment or industrial relations-type matters. Schedule 1A workers particularly, and some small to medium enterprises that do not have any associations of their own, are at an absolute loss as to where to seek advice. It is one thing for the Victorian government to refer powers and therefore dismantle our existing structures, but when Victorian citizens have nowhere to go it is incumbent on us as a government to deal with that. This is where the information unit in Industrial Relations Victoria, set up by my predecessor and very enthusiastically maintained by me, is one that deals with that. A person can pick up the phone and get some basic advice. It is not just a phone service, there are fact sheets available on all areas of entitlements and available on the standard Victorian government web sites, www.irv.vic.gov.au. You can certainly get that information there or over the phone. It is more than that, it is not just having a phone service and a number of people working in 1 Macarthur Place, the information also gets out and about into rural and regional Victoria. There have been visits recently to Ballarat, where our view is that while it is a small unit it is responding to those needs. We also need to make ourselves accessible and assist them. For the schedule 1A workers, it is one more way of providing assistance with information for those people. One third of all Victorian workers are in that situation, and there is a hole left with that change of power, which I am trying to rectify.

Ms BARKER — Do you select which rural or regional areas they go to, or how do they establish where they will go to next?

Mr LENDERS — The unit itself needs to make a bit of an assessment on this — where the need is from. I know it has gone to Ballarat because there are a number of providers of services in Ballarat who are saying that they want someone to come out and explain, and, ‘Let’s have a half-day’s session’, or whatever the time frame was. It is in response to need. There are number of the areas where a regional forum will assist. That is the first step, and then the resources to that. Clearly with the limited responses we have in IRV it is extensive, but there is a limit given there are over 500 000 schedule 1A workers out there. We will respond to that, but on the operational side I would pass that on to Mr Lorraine.

Mr LORRAINE — The first thing I would say is that the information services unit works with organisations from IRV and provides advice on the form of support. It gives maximum impact by dealing with organisations, so if there is a local business organisation, or say a local community legal centre or advice bureau, or that type of organisation, then it provides support to organisations rather than trying to attempt to provide large amounts of detail and advice to large numbers of individuals. We are not running a call centre; you are talking about a handful of people. Through those connections we find out where the areas of need are and then target where regional visits need to be positioned. We also have a lot of information from the industrial relations task force which did research across the state about where the areas of need are located. We already have intelligence about where there are pockets of people or people with particular types of issues, and it particularly targets migrant workers, young workers and those types of people.

Mr RICH-PHILLIPS — I would like to ask you, Minister, about schedule 1A employees. One of your performance measures is for Victoria to be represented in all major industrial relations cases. You are probably aware that last week Trades Hall flagged a \$25 a week claim for schedule 1A employees, and given the recent IRC \$18-a-week decision, what is the government’s position in respect to the Trades Hall claim?

Mr LENDERS — The Trades Hall has not firmly asked us for a position on that.

The ACTING CHAIRMAN — It is not actually in the budget, is it? I am not quite sure how you relate that to the budget.

Mr RICH-PHILLIPS — The minister is keen to answer it.

The ACTING CHAIRMAN — There are two requirements for questions: one that they are in the ministerial portfolio, and one that they are in the budget. I think yours meets one of those tests, but I am not quite convinced it meets the other.

Mr RICH-PHILLIPS — It potentially could have public sector employment implications.

The ACTING CHAIRMAN — We went through this yesterday about hypothetical things that may occur in the future. I do not think it is in the budget documents. I cannot see where it is in the budget document, anyway.

Mr CLARK — Mr Rich-Phillips referred to the performance measure to which it relates. Surely the question of how the government achieves a performance measure is relevant to the budget papers?

The ACTING CHAIRMAN — If you are relating to things that are in the budget. In this case we are talking about a wage claim, which at this stage I am not sure has been lodged but is certainly a hypothetical.

Mr RICH-PHILLIPS — Which the government will be involved in.

The ACTING CHAIRMAN — I cannot see anything in the budget that refers to it.

Mr RICH-PHILLIPS — Page 173.

The ACTING CHAIRMAN — I heard what you said.

Mr RICH-PHILLIPS — The first line item under the IRC policy — —

The ACTING CHAIRMAN — If you have something in the 2002–03 budget that relates to the performance measures, or in last year's budget papers, then you are more than welcome to ask a question about that, but you are asking about a hypothetical case that may or may not occur.

Mr RICH-PHILLIPS — I am asking about the government's representation in that case.

The ACTING CHAIRMAN — I said I do not think it is in order. Do you have another question?

Mr RICH-PHILLIPS — Will the minister — —

The ACTING CHAIRMAN — The minister is not chairing the committee, I am.

Mr RICH-PHILLIPS — I would like to pursue that question.

The ACTING CHAIRMAN — I have ruled it out of order.

Mr CLARK — With the greatest respect, the item concerned is 'Victoria represented in major industrial relations cases'. This is from all appearances a major industrial relations case which is not a hypothetical one — it is a claim that is actually being raised, as the minister has acknowledged in what he has been allowed to say so far. I believe it falls within that performance measure, and I would ask you to reconsider your ruling on that basis. It is not a hypothetical case.

The ACTING CHAIRMAN — I think the minister can answer in relation to strategic industrial relations generally what the policy of the government is in relation to that performance measure, but not in relation to hypothetical cases that have not been run yet. If you want the minister to answer that generally, I will allow him to do so. Do you want him to answer generally?

Mr HALLAM — Perhaps the minister may give an indication whether he would expect that those circumstances raised by Mr Rich-Phillips to be a major industrial case in the year we are reviewing.

The ACTING CHAIRMAN — As I said, the minister can answer it generally.

Mr HALLAM — That would be a good place to start, Minister, I suspect.

Mr LENDERS — The Victorian government making representations at wage cases would be one example. We need as a government to be prepared to be fluid and flexible because it is unpredictable what comes forward. The measure of our being able to go out there and represent us is clearly one. This is clearly one that is not one we would have predicted would have come forward — the national decision being applied in states. There were fairly significant changes last year to the whole scheduling and timing of when it applied; the whole process has been concertinaed. Secondly, the hypothetical claim, which Mr Rich-Phillips said will come from the VTHC, is one that again is out of the ordinary. There has never before been a thing to separate the two. If any of these things had come to us, in the context of schedule 1A workers, given the disadvantage they have in Victoria compared with workers in the rest of the country, clearly any case that is put forward that says that Victoria should act differently to improve the lot of schedule 1A workers is one that we would obviously look at, because we are trying through a number of venues to improve their lot. The one that we have been primarily trying to do is to deal with getting the commonwealth to take over the power to do common rules. So anything that comes before any of these bodies under this output we will look at and deal with in the time frames that are there.

Mr RICH-PHILLIPS — I take it that to mean you would be sympathetic to — —

The ACTING CHAIRMAN — No, I think we have run out of time now, so we will move on. I thank the departmental officers who have attended this afternoon.

Witnesses withdrew.

