

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2026–27 Budget Estimates

Melbourne – Friday 15 May 2026

MEMBERS

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak

WITNESSES

Jaclyn Symes MLC, Minister for Industrial Relations; and

Chris Barrett, Secretary, and

Matt O'Connor, Deputy Secretary, Industrial Relations Victoria, Department of Treasury and Finance.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee and ask that mobile telephones please be turned silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard, and the broadcast is live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during hearings, and anything you say can be picked up and captioned, even if you say it quietly.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Industrial Relations the Honourable Jaclyn Symes, as well as officials from the Department of Treasury and Finance. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee. Your time starts now.

Visual presentation.

Jaclyn SYMES: Thank you, Chair. I will get into a presentation that gives you an insight, an overview, of the industrial relations portfolio. The Victorian government continues to drive significant work and projects to advance a fair and positive industrial relations environment. In the last year we have developed and passed Australia's first legislation to govern and restrict the use of non-disclosure agreements in matters of workplace sexual harassment.

We have acquitted each of the recommendations of the Greg Wilson report, who was commissioned to conduct a review into Victoria's government bodies' engagement with construction companies and construction unions. In acquitting these recommendations we have passed legislation to create a new complaints referral service and established an alliance of Victorian and Commonwealth regulators and delivery agencies to share information, coordinate action and address allegations of criminal and unlawful conduct on public construction sites.

We have also legislated to strengthen our labour hire regime by clarifying the definition of 'labour hire', improving the fit and proper person test, broadening the authority's notice to produce powers and expanding the publication powers of the Labor Hire Authority. We have also developed contractual and policy requirements for principal contractors to report any allegations or instances of criminal or unlawful conduct to the new complaints referral service.

Government has also reviewed and responded to the inquiry into workplace surveillance, which recommends significant updating of regulations which have not kept pace with technological advancements, and presented opportunities to better protect workers within an environment of evolving workplace surveillance.

We have once again made a submission to the Fair Work Commission calling for a real increase to the national minimum wage and better wage and conditions for Victorians who rely on these rates, as well as for apprentices.

In the enterprise bargaining space it has been another busy year for IRV, with 32 public sector agreements settled since 1 July 25 and over 50 policies finalised to underpin the consistent implementation of the VPS enterprise agreement. Government has also now completed a wholesale review of the public sector IR policy framework, the first for 10 years, covering a range of matters, including agreement content, enterprise bargaining, Fair Work Commission, access, leave entitlements et cetera.

Onto the portable long service leave authority, it is one of the three key statutory agencies within the IR portfolio. It is the authority who administers our portable long service leave scheme, ensuring workers in the contract cleaning, security and community services sectors have access to long service leave, irrespective of whether they have moved between a particular employer within the industry. As the scheme approaches its seventh year of operation, it continues to grow both in terms of the number of workers and employers registered. Now over 490,000 workers and 4200 employers are involved. As the scheme begins to administer claims from 1 July this year, we will continue to see the portable long service leave authority taking action to identify and ensure those that need to be complying with their obligations under the scheme are doing so.

The workplace inspectorate, so same acronym as previously – it is still WIV but now Workforce Inspectorate Victoria. We have allocated \$6.2 million over two years in this year's budget to support their core functions around the enforcement and administration of legislation pertaining to child employment, long service leave and owner-driver and forestry contractors. WIV's functions also now include a service to receive and also refer complaints related to the Victorian government-funded construction projects, acquitting recommendation 1 of the Wilson review.

The third agency worth bringing to the attention of the committee for the work they have been doing is the Labour Hire Authority, who administer our recently revised labour hire licensing scheme here in Victoria. In the current financial year to 12 May the LHA had 5742 active licences for labour hire providers, granting 797 licences. They have removed and prohibited noncompliant operators from the scheme, having refused 92 applications for labour hire licences and cancelled 179 licences for suspected contraventions and noncompliance with our labour hire legislation regulations. The LHA has taken significant action to improve the integrity of labour hire in Victoria's construction industry in particular and has now cancelled 153 licences, refused 49 licence applications and imposed conditions on 38 licences within the sector. That is a fairly quick overview of the industrial relations portfolio, Chair.

The CHAIR: Thank you very much, Treasurer. The first set of questions is going to go to the Deputy Chair, who will have 8 minutes. Your time starts now.

John PESUTTO: Thank you, Chair. Thank you, Minister. I refer you to the department's performance statement, page 147 and table 28, and the departmental objective to 'Strengthen Victoria's economic performance through fair, equitable and productive workplaces'. Now, in the context of that reference I also refer you, Minister, to statements by Mr Murray Furlong, Fair Work Commission general manager, who told a Senate estimates hearing in February that the reported \$15 billion figure referred to in Geoffrey Watson KC's *Rotting from the Top* report was associated with alleged rorts on major infrastructure projects and was:

... consistent with what I've heard from officials from the Victorian government.

So for clarity, Mr Furlong was saying that the findings of Mr Watson were consistent with what he had heard from officials from the Victorian government. Now, in the light of that, Minister, can you please share with the committee the advice Victorian government officials shared with Mr Furlong that confirms the \$15 billion figure of taxpayer funds having been rorted?

Jaelyn SYMES: Thank you, Mr Pesutto, for your question. I am not necessarily in a position to detail any of the conversations Mr Furlong has had or who he has had those conversations with, but to suggest that there is any formal advice to him in the manner in which you have described it is not something that has been brought to my attention. On the claim of the \$15 billion figure, there has been no evidence to support that claim, which is why it was certainly removed from what was a draft report that was not in any official way released. The report was adjusted appropriately by the administrator, who issued a statement that he was not satisfied that the claims in that draft report were well founded or properly tested.

John PESUTTO: We might come to that in a moment, Minister. I want to just drill down into the advice that Mr Furlong says he received. Are any of your officials here today able to shed any light for the benefit of the committee on information that was shared with Mr Furlong?

Matt O'CONNOR: I am not, no, Mr Pesutto.

John PESUTTO: To your knowledge, have any of you accompanying the minister been aware that there have been any discussions with Mr Furlong?

Jaclyn SYMES: Well, Mr Furlong is a member of the alliance that we have brought together as a result of the Wilson review, so he has access to advice and conversations. The way you put that, that is not part of the work he was doing with the alliance that I believe led to the comments that you have put on record there.

John PESUTTO: Well, can I ask that inquiries be undertaken and that if you are able to ascertain whether there were any discussions leading to information being provided to Mr Furlong by Victorian officials that be provided to this committee?

Jaclyn SYMES: Well, as you can appreciate, Mr Pesutto, I am joined by Deputy Secretary Matt O'Connor, who has confirmed that he has no knowledge of such things, so I think you are much better positioned asking Mr Furlong yourself.

John PESUTTO: So you would not be prepared to even make inquiries about the information?

Jaclyn SYMES: Well, what I am saying is that Mr Furlong's comments in themselves are not something that support any of the information that I have.

John PESUTTO: But you can understand the importance of that to the Victorian people, can't you? If you have a federal official, and a senior federal official, saying that Victorian officials confirmed, rightly or wrongly – let us put to one side whether you agree with what Victorian officials may or may not have said. If a federal official is saying that, don't you think the Victorian people have a right to know and that inquiries should be undertaken?

Jaclyn SYMES: Mr Pesutto, in relation to those comments, as confirmed by the Dep Secretary who heads up IRV, in relation to comments that have come from government, we do not have any information that supports Mr Furlong's comments from the perspective of government.

John PESUTTO: I refer, Minister, to the \$15 billion figure which I referred to and I think you referred to also in your earlier answer. The Premier has rejected that. Do you stand by the Premier's position that the figure is untested?

Jaclyn SYMES: What I will point to again is that the claims were removed from a draft report that was not officially released. In fact I believe that the reporting suggests that it was a leaked draft report. The administrator who was put in place of the CFMEU was not satisfied that any of the claims were well founded or properly tested. Further to this, economists make the reflections as well that the engineering construction implicit price deflator, a measure of price growth used by the Australian Bureau of Statistics, showed costs in Victoria went up 36.8 per cent between December 2014 and September 2025. So when we are looking at the rising cost of labour, the amount of people that work on these sites and the amount of cost implications for raw materials, which we all know all around the world went up, there are economists that have pointed to the inputs into cost escalations around workforce and around cost of projects. Even if you look at David Hayward's comments, he has said that there does not seem to be any reason to believe criminality was as financially significant in the redacted Watson chapter.

John PESUTTO: Minister, I appreciate that, but in the limited time I have, in your capacity as Treasurer, which you are not being questioned on in this, you are in charge of a \$700 billion economy. You are the Minister for Industrial Relations. Is it your position and would it be your evidence to this committee that there has been no money lost on Victorian government Big Build projects to CFMEU corruption, misbehaviour or illegal activity?

Jaclyn SYMES: Mr Pesutto, there is no evidence to support the claims of a \$15 billion figure.

John PESUTTO: Well, what would your estimate be? Don't you think you have a responsibility as the minister?

Jaelyn SYMES: Can I finish my answer rather than being interrupted? What I would say is that any criminal behaviour and any inappropriate behaviour on a government worksite is inappropriate. That is why you have a taskforce of Victoria Police that has been taking action.

John PESUTTO: But do you have your own figure?

Jaelyn SYMES: In relation to the arrests that have been made, they have been looking at allegations of extortion and fraud and actually have not shown whether any of those payments have been made. In the event that that evidence comes forward, that would then speak for itself.

John PESUTTO: Minister, if I may, Geoffrey Watson is not an official of the Victorian government. You are in charge of the department and you are in charge of the economy as Treasurer. Do you not have your own figure for what accounts for misbehaviour, rotting and other forms of illegal behaviour by the CFMEU on Victorian-funded projects?

Jaelyn SYMES: What I have pointed to, supported by independent economists, Mr Pesutto, is that cost escalations on construction sites are very much driven by increased material, equipment costs and issues at particular projects. As Mr David Hayward has indicated, as an independent economist, there does not seem to be any reason to believe criminality was significant on any of the government projects.

The CHAIR: Thank you. We are going to go to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister, I refer to budget paper 3 on pages 95 and 96, which set out the fair and productive Victorian workplaces initiative, providing \$6.2 million over two years to support the Workforce Inspectorate Victoria's education, compliance and enforcement activities. Can you elaborate on what activities the Inspectorate is expected to undertake with this funding?

Jaelyn SYMES: Thank you, Mr Tak, for your question and the opportunity to inform the committee about the important work that the Workforce Inspectorate undertakes. WIV is a statutory regulator with responsibility for administering several pieces of industrial legislation, including the *Long Service Leave Act*, the *Child Employment Act* and the *Owner Drivers and Forestry Contractors Act*. Highlighting the work of WIV is a great opportunity to demonstrate the action that has been taken to protect the rights and conditions of workers, including child employment and long service leave entitlements, and ensure people are protected and advised about those.

It is important to highlight the role WIV plays in response to the Wilson review. As of 17 December 2025, WIV has taken on the brand new construction complaint referral system. This provides me with an opportunity to speak to the commencement of the service, how we are acquitting some of the commitments that we made to implement the findings of the Wilson review and our commitment to the ongoing addressing of any issues on Victorian government worksites as they relate to inappropriate behaviour, corruption and the like. The Victorian government has funded the following programs in the budget: \$6.2 million provided over two years to support the Workplace Inspectorate. I have got some good stats here that would be useful for your consideration. In the last financial year alone, they issued 500 child employment licences, enabling the employment of nearly 2700 children, which exceeded the expectations that they had in their performance measures. They undertook compliance activities and investigations, with 280 child employment investigations and compliance activities completed. That was against a target they had of 200.

WIV plays an important role in providing information to businesses and employers. They have received over 5500 calls about long service leave and child employment and owner driver laws through their helpline, and they also have responded to more than 1000 written inquiries. This year's funding has enabled WIV to actively investigate enforced breaches of legislation, importantly delivering results for particularly those Victorians that need help with making sure they get what they are entitled to and making sure that they have the support of a government agency to do so.

In the last financial year WIV have had five matters before the courts for various breaches of legislation. This includes obtaining a successful conviction against a sheet metal fabrication company for failing to pay a former

apprentice their long service leave entitlements. In addition to receiving a \$12,000 fine, the company were required to provide that individual with his outstanding long service leave entitlements along with interest, so he received the amount of \$8700. Between July 2025 and March 2026 WIV have actually recovered over \$2.6 million in unpaid long service leave. This is now a cumulative amount of \$4.6 million since they commenced their operation.

Another important part of WIV's work is around education for employers to meet their obligations under the legislation. Of course it is important for me to point out their activities and the things that they have recovered, but a better outcome would be not having to have to recoup money from employers. It would be much better if people knew what they were supposed to do so that this type of action did not need to happen. It is really important to have those education and compliance campaigns. What WIV do is they really sort of focus and up their attention for campaigns around child employment requirements particularly around school holidays, because obviously that is when kids might be more likely to be working hours in various arrangements. Making sure people are not in breach of child employment laws is something that the WIV hopes to achieve. They are very active across this sector. They conduct inspections across worksites that often employ children, such as restaurants, cafes and fast-food businesses, and they recently have conducted an audit in the Mornington Peninsula region, for example, that actually identified around 574 potential breaches of the child employment law. So they have got a fair bit of work to continue to make sure that people are complying and aware of what they need to be doing. There is a lot happening, but it is an important agency that do an excellent job particularly for Victorian workers and businesses.

Meng Heang TAK: Thank you. In your presentation earlier you also touched on the change to the inspectorate's scope of work and taking on a new function with the construction complaints referral system. Can you share more with the committee on how this service is operating?

Jaelyn SYMES: Yes. Thanks, Mr Tak. Last year there was legislation through the Parliament to establish a construction complaint referral service, known as CCRS – that was to be operational within WIV – and specifically to establish a complaints referral body to receive and refer complaints relating to Victorian government construction sites. This is off the back of the Wilson review, which provided recommendations to government that we have implemented. The referral service commenced operation on 17 December, and while it has only been in operation for around five months, I can provide you with the early data as of 30 April, which is that they have received a total of 49 complaints. Of these, 29 were referred to the relevant agency to address, which could have been VicPol, VIDA, the Fair Work ombudsman or WorkSafe, and sometimes there might be multiple referrals depending on the information that has been provided. My advice is that there are currently seven complaints under assessment, and 13 that were received were not progressed, generally the reason being they were not relevant to the WIV or advice was provided and no further action required.

Experience has certainly indicated that the way it has been set up to enable anonymous reporting has been welcomed, because generally the people that are ringing are choosing to remain anonymous. So it is pleasing that that is exactly what we envisaged and what we legislated for. As I said, many of those 49 complaints have been from anonymous sources. We certainly want to ensure that Victorians are aware of this service and they can raise concerns, so there has been some advertising to ensure that people are aware of this. The campaign has been running since February and has received views on Facebook, Instagram and YouTube in particular. It is an important part of consolidating the reputation of the complaints line – that it is a safe and reliable place and that you can make complaints about unacceptable behaviour on any government construction sites. We certainly want to make it as easy as possible and do not want people to feel too scared to come forward, which is why we have put in place the measures that we have.

Meng Heang TAK: Thank you. Clearly it has been a big year for the WIV. From your presentation, Minister, it seems also to have been a big year for the Portable Long Service Leave Authority. Can you provide some further details on what the PLSLA have achieved in the last financial year and what the year ahead may look like?

Jaelyn SYMES: It is a really timely question, Mr Tak, because the Portable Long Service Leave Authority has been in operation for seven years this year, so it means that we are getting to the point where people will be able to access this right. The scheme effectively means that workers in the industries of community services, contract cleaning and security sectors can accrue long service leave benefits based on their years of service to their industry and not just being with one single employer. We know that movement between employers within

these sectors is very common, so therefore people were denied a right despite the fact that they were effectively performing the same job for many years.

As I noted in the presentation, we have seen a steady increase of the numbers of both employers and workers. The PLSLA have collected \$196.2 million in contributions from employers, taking the total amount of funds of worker benefits under administration to over \$860 million. Again, a big part of the work of IR regulators is providing support and advice to businesses and workers to be able to comply with the scheme. We have received 13,666 telephone inquiries and more than 140 hits to the website in the last financial year, which is probably going to increase, particularly as people are starting to be actually able to access their entitlements. It has been seven years since the scheme commenced. That means as of 1 July workers with seven years continuous service under the scheme will actually be able to seek that advice and take the leave and be paid in accordance with that.

The CHAIR: Thank you, Treasurer. We are going to go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Hi. Can I ask: how will the government's proposed work-from-home laws be enforced?

Mathew HILAKARI: Is there a reference point in the budget papers?

Aiv PUGLIELLI: Budget paper 2, page 37.

Jaclyn SYMES: Thank you for your question, Mr Puglielli. As you would appreciate, the legislation to enact the right to work from home is still under development and actually being led by the Department of Premier and Cabinet.

Aiv PUGLIELLI: Right. Okay. So you are not responsible for these laws coming through? Okay. Thank you. In that case I might ask: what is the current status of the EBA negotiations with the AEU?

Jaclyn SYMES: That is a great question. I am advised as of half an hour ago, when we had the break, that those conversations are currently taking place.

Aiv PUGLIELLI: Still ongoing, though – taking place now.

Jaclyn SYMES: Correct. They are thrashing out the negotiations and having very productive conversations that hopefully we will hear more about when they have finished the conversations that they are having right now.

Aiv PUGLIELLI: Okay. How about the ASU?

Jaclyn SYMES: Which part of the ASU?

Aiv PUGLIELLI: The EBA negotiations.

Jaclyn SYMES: The EBA negotiations predominantly with the Australian Services Union would be with local councils.

Aiv PUGLIELLI: Yes, which is what I am asking about, I suppose.

Jaclyn SYMES: The government is not a party to those discussions.

Aiv PUGLIELLI: Oh, sure. Okay. That is all right. I have got a limited amount of time. Maybe we will go back to the AEU. What has been reported as an offer that was sought was for a 35 per cent increase over three years. Why was that not matched by the government?

Jaclyn SYMES: As you would appreciate, Mr Puglielli, negotiations between industrial parties and government often involve offers and counteroffers, and that is what negotiations are all about. We have made an offer that demonstrates our commitment to achieve an outcome for teachers, principals and support staff. We think it recognises the importance of the work that they do, and we had a great conversation about the investment in education earlier in the Treasury portfolio – ensuring that our teachers and principals and support staff are well supported and paid appropriately is something that we are certainly committed to. As I indicated,

it is my advice that negotiations are underway as we speak. I am obviously not able to provide an outcome of those discussions today, but I have been advised that they are productive and we are getting closer and closer.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you, Mr Puglielli. Minister and officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will take a very short break before beginning its consideration of the Development Victoria portfolio at 12:45 pm. I declare this hearing adjourned.

Witnesses withdrew.