

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2008–09

Melbourne — 3 June 2008

#### Members

Mr G. Barber

Mr R. Dalla-Riva

Ms J. Munt

Mr W. Noonan

Mr M. Pakula

Mr G. Rich-Phillips

Mr R. Scott

Mr B. Stensholt

Dr W. Sykes

Mr K. Wells

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr R. Hulls, Minister for Industrial Relations,

Mr H. Ronaldson, Secretary, Department of Innovation Industry and Regional Development, and

Mr T. Lee, Deputy Secretary, Industrial Relations Victoria.

**The CHAIR** — I welcome Howard Ronaldson, Secretary, Department of Innovation, Industry and Regional Development and Tim Lee, Industrial Relations Victoria, and I call on the minister to give a presentation of not more than 5 minutes on the industrial relations portfolio.

**Overheads shown.**

**Mr HULLS** — Thank you, Chair. I have a few slides. The first slide talks about the role of Industrial Relations Victoria. It advocates industrial relations frameworks that encourage high-performance workplaces in the public and private sectors, and it is about minimising industrial disputes. It develops policy, provides advice and delivers programs relating to industrial relations and workforce participation. It has primary responsibility for developing policy, administering workplace legislation and managing programs generally aimed at establishing a fair, cooperative, dynamic industrial relations environment here in Victoria. Its budget decreased from 12.5 million in 07–08 to 11.7 million in 08–09, principally due to savings of \$100 000 and the reallocation of output costs covering general departmental and corporate costs of \$600 000.

The next slide talks about the key achievements in 07–08 and a number of pieces of legislation. The Victorian Workers' Wages Protection Act provides that employers must not deduct amounts from employees' pay without their permission and also work closely with other agencies on the Equal Opportunity Act, which now protect employees from discrimination if they raise concerns with their employer about entitlements. We have commenced a review of our child employment laws to offer a whole-of-government approach to the protection of kids and remove red tape where we can. We have also established a Working Families Council, which was promised in 2006. It held its first meeting in August of last year and comprises members of industry organisations, unions, community organisations, businesses, academia and government. It is about promoting work-family balance, implementation of a social marketing campaign to promote work and family balance and also pay equity. It also has an employer recognition program.

The next slide deals with the workplace rights advocate, which continues to investigate illegal, unfair and otherwise inappropriate industrial relations practices. It has investigated over 100 matters involving a broad range of issues arising out of the WorkChoices environment. These include offering of unfair, unlawful or inappropriate Australian workplace agreements, any sham contracting arrangements, underpayments, non-payments, incorrect payment of wages and the like. Because of the death of WorkChoices, I have asked IRV to assess the role of the WRA, including the type and level of service provides. It will be subject to an assessment that is undertaken by Tim Lee and IRV. It will consider in that assessment a number of things, including how the change, obviously, in the federal government has impacted on the role of the workplace rights advocate. Obviously with some federal legislative changes that have already come into effect the role of the WRA has changed. For example, the workplace rights advocate, following the passage of the Public Sector Employment (Award Entitlements) Amendment Act, will no longer conduct fairness assessments of Victorian public sector agreements. That is now a responsibility of the federal authority. I think it is important that we have a review of the WRA, and that has already commenced, or is about to commence.

The last slide shows key initiatives and priorities of 08–09, and they are set out in dot point there. IRV is working very closely with the commonwealth. In fact the commonwealth set up a high-level officers group, I think it is called, to look at its transitional legislation, but also to look at the main legislation, so there has been substantive work done by IRV in relation to that. Obviously IRV has played a key oversight role in relation to public sector negotiations and will continue to work with other agencies in implementing our better work and families agenda. Thank you, Chair.

**The CHAIR** — Thank you, Minister. Mr Noonan? We have got a couple of people here who have a strong interest in industrial relations.

**Mr NOONAN** — Minister, broadly you talked about the role of the workplace rights advocate and that review. Within the context of the activities that you have dot pointed out on the slide, I wonder whether you could talk more extensively about the review that you have requested into the operations?

**Mr HULLS** — Yes. Thanks very much. The workplace rights advocate was created in March 2006 after we were forced to pass legislation to protect Victorian workers from unfair and unbalanced WorkChoices legislation. There were some outlandish claims that were made at the time about it being illegal, about it being

unconstitutional, about it being unworkable, about it being impractical and about it being a complete disgrace and the like. I think all those allegations have proved to be unfounded.

**Mr RICH-PHILLIPS** — What about it being political?

**Mr HULLS** — All of those have proved to be unfounded.

**Mr RICH-PHILLIPS** — And now you are getting rid of it.

**Mr HULLS** — I think there were some allegations that it was political as well. Again, completely unfounded allegations.

**Mr WELLS** — No. There was a different set of rules if you were a union mate — an ALP mate.

**The CHAIR** — Concentrate on the answer, please.

**Mr HULLS** — I think it has proved to be completely unfounded — outlandish and outrageous comments were made at the time. We believe that the workplace rights advocate — and I think everyone believes it now — was an absolutely appropriate response to the unprecedented and unfair WorkChoices legislation. It is worth remembering that WorkChoices removed penalty rates, it removed award entitlements, it destroyed job security and introduced unfairness into the industrial relations system that had never been experienced in this country before. To his credit, Joe Hockey last year specifically stated that the problem with WorkChoices was ‘... we just went too deep. It was a mistake’. So even Joe Hockey, to his credit — —

**Mr PAKULA** — Saw the light.

**Mr HULLS** — He admitted that WorkChoices was wrong and saw the light. But you asked about the role of the workplace rights advocate. It has provided nearly 9000 Victorians with information and advice, handled more than 11 000 queries about work-related issues, prepared a whole range of fact sheets to inform Victorian employers and employees about their rights and entitlements in the workplace, investigated over 110 matters highlighting a broad range of issues, and conducted a formal inquiry in relation to the impact of WorkChoices on employers and employees in the retail and hospitality industries.

Most of us would remember that there was an election held in November of last year — a federal election — and that, thank goodness, that result forever really repudiated WorkChoices, and fairness is being restored to our industrial relations system. The commonwealth government, for instance, has reinstated a proper no-disadvantage test and the like. As a result of the change in the federal environment, and the fact that just last week — I think it was — the Public Sector Employment (Award Entitlements) Bill passed both houses of Parliament, therefore removing from the workplace rights advocate the obligation to assess public sector agreements against the fairness test, that role having been restored by the federal government to national regulation, it is absolutely the right time to undertake an assessment of the ongoing role of the workplace rights advocate. I think it has done a great job. I think it is widely regarded out there in the community, widely respected and greatly utilised, and it does continue, I might say, to provide important services to Victorian employers and employees, including, for example, assistance, information and protection for Victoria’s most vulnerable workers. But it is time to assess now the role of the WRA. I noticed the interjection that was made — —

**The CHAIR** — Ignore them, please.

**Mr HULLS** — Which I totally ignore, but I do not intend to pre-empt the outcome of that assessment, and I look forward to being briefed on that outcome once it is concluded.

**Mr PAKULA** — I might say that, like the member, Minister, I have utilised the Office of the Workplace Rights Advocate and it has been extremely satisfactory. Page 155 of budget paper 3 refers to the advocating and delivering of programs aimed at establishing fair, cooperative and dynamic work environments. In that context I would ask the minister to outline the outcomes from workplace relations ministers councils that have been held since the last estimates process.

**Mr HULLS** — I can tell you there is a difference between Workplace Relations Ministers’ Council now under the new federal government and Workplace Relations Ministers’ Council under the previous federal government. The main difference is that the federal minister now turns up. Under the previous government the

federal minister, particularly Joe Hockey, did not attend any meetings of the federal Workplace Relations Ministers' Council. That is the first difference we have noticed. We have those meetings now and — guess what? — a federal minister turns up, so that shows a new era of cooperation and collaboration. Under the former government —

This is no secret. I have made clear that there was no consultation with Victoria in relation to the WorkChoices legislation. Despite the fact that under the Kennett government we handed over our powers in relation to industrial relations, you would have thought as the biggest user of the federal system there would be consultation with Victoria, but there was none.

**The CHAIR** — Sure, but on to the answer.

**Mr HULLS** — But now the Rudd Labor government, and in particular Julia Gillard, in relegating WorkChoices to the scrap heap, has decided to have fair dinkum consultation in relation to workplace laws federally. The new Workplace Relations Amendment (Transition to Forward with Fairness) Act came into effect on 28 March. There was extensive consultation with this high-level officers group that I spoke about earlier, and as a result that legislation prevents the making of any new AWA and allows current employees on AWAs to make individual transitional employment agreements, available only for limited use during the transition period. It introduced a new no-disadvantage test and new collective agreements, and it enabled the Australian Industrial Relations Commission to start modernising awards.

Symbolic in this new IR era, the Workplace Relations Ministers Council, which is the peak forum for industrial relations ministers across the country, has already met twice since the federal election. At those meetings there have been full and frank discussions, including, as I said, the establishment of the high-level officers group, which comprises commonwealth, state and territory bureaucrats — and they have met on a number of occasions also. It is a very constructive forum. We actually do work at these Workplace Relations Ministers Council meetings. There is no political game playing; it is all about getting the national legislation bedded down. So improved is the cooperation that the federal minister is actually prepared, on a confidential basis, to show draft legislation to high officers working groups and ministers as well, for scrutiny.

This is an opportunity now that we have to grab, because it is only available, in my view, to have a truly national system of industrial relations that is fair for Australia workers — the window of opportunity will only last, probably, or could only last — as far as the next state election, wherever that is. You do not know what is going to happen at the next election. We now have Labor governments in every state and territory and federally, so I keep stressing at these meetings that we should not allow this opportunity to go by without implementing fair dinkum, long-term reform in the interests of all Australians — but the window of opportunity is only small.

**Mr WELLS** — Minister, listening to you, you would think that everything was rosy now that we have Kevin Rudd in place. But I am just wondering, when you look at the latest ABS data on industrial disputes, Victoria was responsible for more than two-thirds — that is two-thirds — of all days lost due to industrial disputes in the calendar year 2007, and in the December quarter alone it was responsible for 86 per cent. When you break down that figure for the December quarter, it shows that over 80 per cent of the working days lost were in education, health and the community services sector. Would you agree that this shows that Victoria's current high rate of industrial disputes is due to the way that the government is handling the public sector, and what are you putting in place to improve that relationship with the public sector, to ensure that the number of industrial days lost for calendar year 2008 is a significant improvement on 2007?

**Mr HULLS** — I think the premise of your question is wrong. We have an absolute commitment in Victoria to promoting cooperative workplace practices, improving the business environment and delivering benefits to all Victorians. We developed a workplace rights standard that we believe will deliver a fair system of industrial relations, getting the balance right for employers and employees and providing an appropriate safety net for Victorian workers. The most common cause of disputes, of course, is enterprise bargaining. As you would know, all bargaining in Victoria takes place under the commonwealth Workplace Relations Act. The new commonwealth government has commenced a process to reform that act and make it fair to employees. The sad fact of the matter is that for 11 years the previous commonwealth government presided over an industrial relations system that actually discouraged the resolution of disputes and promoted — or if not promoted, certainly encouraged — industrial action.

In Victoria we fully support an IR system that facilitates timely dispute resolution, including a requirement that parties bargain in good faith. The role of government should always be, in my view, to promote a cooperative workplace culture with all parties, not to take sides in industrial disputes. That is certainly the role that the Victorian government has undertaken. You spoke about working days lost due to industrial disputation. I have to say that they have actually continued to decline, from 30 per 1000 employees in 1999 to 9.1 per 1000 employees in December 2007. So since the dark, dark days of the Kennett government — —

**Mr WELLS** — Minister, are my figures wrong? Is that what you are saying, that two-thirds of industrial dispute days lost in Australia were not here in Victoria?

**Mr HULLS** — What I am saying to you — —

**Mr WELLS** — No — is that right or is that wrong?

**The CHAIR** — The minister to answer, please.

**Mr HULLS** — I am giving you the answer.

**Mr WELLS** — No, you have not.

**The CHAIR** — The minister, to answer.

**Mr HULLS** — I am giving you the answer: since the dark, dark days — —

**Mr WELLS** — No. Are two-thirds of the industrial days lost in Australia, are they lost here in Victoria? It is a simple yes or no answer.

**The CHAIR** — You have asked your question. The minister, to answer.

**Mr HULLS** — I am giving you the answer to your question, and that is: since the dark, rotten days of the Kennett government — —

**Mr WELLS** — Are you going to get him to answer the question?

**The CHAIR** — He is answering the question.

**Mr WELLS** — No, he is not.

**The CHAIR** — It is up to the minister to answer — —

**Mr HULLS** — Industrial disputes in Victoria have — —

**Mr WELLS** — It is simple and straightforward: are the ABS figures right or wrong? Are these right or wrong?

**Mr HULLS** — They have continued to decline, I repeat, from 30 — —

**Mr WELLS** — So the ABS figures are wrong?

**Mr HULLS** — Are you saying my figures are wrong? From 30 — —

**Mr WELLS** — Are the ABS figures wrong?

**Mr HULLS** — From 30 per 1000 employees in 1999 to 9.1 per 1000 employees in December 2007.

**Mr WELLS** — So these figures must be right, that two-thirds of industrial days lost in Australia were actually taking place here in Victoria?

**The CHAIR** — Let the minister answer; one at a time.

**Mr HULLS** — Guess what?

**Mr WELLS** — Are we going to get some answers?

**The CHAIR** — The minister is answering.

**Mr WELLS** — Are you, as Chair, going to get him to answer some questions?

**Mr RICH-PHILLIPS** — He is talking about a different issue.

**Mr WELLS** — Are you going to get him to answer some questions?

**The CHAIR** — He is answering the questions about the incidence — —

**Mr WELLS** — He does not need your protection, so get him to answer the question.

**The CHAIR** — I am not providing any protection, thank you very much, and I actually resent that comment. I am trying to get the minister to provide a commentary in response to your question on the incidence of days lost.

**Mr WELLS** — We do not want commentary; we want some answers.

**The CHAIR** — It is the same thing.

**Mr WELLS** — We do not want the commentary; we want the answers.

**The CHAIR** — It is the same thing as the answers.

**Mr WELLS** — No, it is not.

**Mr HULLS** — Guess what! That is a reduction of 70 per cent — a huge reduction in days lost through industrial disputation. It is true that there has been a number of disputes in relation to public sector EBAs. There is always colour and movement in relation to EBAs, particularly in relation to the public sector, but the outcomes that were achieved for police, for nurses, for teachers we believe will be of enormous benefit to not just the teachers and the police and the nurses but for the Victorian public more generally. I repeat: the highest level of industrial disputation in Victoria was during the days of the Kennett government. The average days lost per quarter due to disputes was 112 000 for the life of the Kennett government. That has dramatically decreased since 1999. That is not to say that you will not have days lost, you will not have disputes due to EBAs; that is the nature of bargaining, but we will continue to bargain in good faith and continue to achieve outcomes for the benefit of Victoria generally.

**Ms MUNT** — Budget paper 3, page 155, mentions the working families agenda. I have a keen interest in work and family balance; I am trying to find one. My kids think the balance is best when I am nowhere to be found, when I am out of their hair! That is quality family time for them; when I am not around! I was wondering if you could detail what initiatives the government has introduced to promote work and family balance.

**Mr HULLS** — I always find it interesting when politicians talk about work-family balance, because the nature of our job is such, particularly if you got young kids, that it is often very difficult to get the work and family balance right. I have got a number of very young kids, nonetheless it is part of my portfolio to continue to address issues of work-family balance, and I am more than happy to do that. We are committed to supporting working families and their employers to improve work and family balance. That is all about allowing businesses of course to retain quality staff. We did set up the Working Families Council, and I think that recognises the importance of making work and family balance a reality for all Victorian workers. As I said at the outset, that council is made up of reps from industry associations, small business, academia and trade unions. That council is headed up by Jill Hennessy, who would be known to many here. She is very highly qualified to head up that council.

That council, since the last PAEC meeting, has met on four occasions and consulted a wide variety of stakeholders, including industry and community groups, with a view to promoting the value of flexible workplace practices for both employers and employees. It has been established for a three-year term, from 2007 to 2010. It has a very ambitious work program during this period. It will be promoting employment practices that allow workers to better manage the stresses that you referred to: of juggling work commitments with spending quality time with family and friends. And work-family balance is not just about spending more time with the kids; as we have an ageing

population, of course, people want to spend more time with their elderly relatives and the like, and they have carer responsibilities, so it is important that we look at strategies to address those issues.

Council members will be engaging in a number of opportunities to publicise the work of the council and champion issues of relevance to Victorian working families. They recently actually developed a submission to the 2020 forum, providing a number of principles that could guide governments in this area. They are also working up an online tool kit, which will be the first of its kind in Australia, to provide practical online advice to employers and employees about their responsibilities and opportunities in this area. The smartest businesses are the ones that can retain the best staff. The best way to retain the best staff is to get that balance right. It is absolutely crucial, and we will continue to work with the council to implement innovative work-family balance initiatives.

**Mr SCOTT** — I refer the minister also to budget paper 3, page 155, to the outputs under the heading ‘Industrial relations’. My question relates to equal opportunity. I ask him to outline how the Victorian government is helping employees through the Equal Opportunity Act in the estimates period.

**Mr HULLS** — That, I guess, gets back in part to the question that Janice asked about work-family balance. One of our priorities has been the promotion of family time in the area of employment. We have made amendments to the Equal Opportunity Act to assist in that regard. We do not think that employees should be discriminated against at work for trying to find a decent balance between their work and any family responsibilities they have, whether it is looking after kids or a carer status that they may have. That is why from 1 September of this year discrimination by an employer unreasonably refusing to accommodate a worker’s parental or carer responsibilities will be unlawful under the equal opportunity amendments that we made. We had a mandate, we believe, to introduce this change as part of the 2006 election commitment to assist parents with young kids to return to work by including family responsibility as a ground of unlawful discrimination.

The Act will certainly help working parents and carers by requiring an employer to not unreasonably refuse to accommodate the family responsibilities of an employee. An employee’s responsibilities may be accommodated, for example, through working part-time, through flexible starting and finishing times and also from working from home, for instance. It is about getting the balance right. We think it is an important amendment to the equal opportunity legislation.

IRV is working with the Equal Opportunity and Human Rights Commission to develop guidelines to provide information, recommendations and assistance to employers and employees about implementing the new requirements that came about as a result of the changes that you spoke about. I understand that the federal government is looking at what we have done here in Victoria. I expect it will follow our lead as well in this particular area.

We also met our election commitment to protect employees from discrimination where an employee queries or raises concerns with their employer about their employment entitlements. That amendment to the Equal Opportunity Act came into effect on 31 March of this year. We were criticised by some who said that this was just more red tape and more opportunity for questionable claims, but I think that misunderstands the changes that we implemented. The amendments do not protect employees seeking a pay rise or more generous terms and conditions of employment. It protects reasonable requests for information and genuine employee concerns about employment entitlements. We believe that an employee should be able to approach their employer about these types of issues without fear or recrimination or penalties. There are a couple of amendments we have made to the Equal Opportunity Act. We believe they are appropriate. In relation to the work and family balance we expect the feds will follow our lead.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the workplace rights advocate’s information sessions, which are shown on page 155 of budget paper 3. It shows that in 06–07 there were 74 sessions held and for the current financial year that has fallen to 30. Can you explain why the number of sessions has halved between the two years? With respect to the 07–08 year, how many of those 30 sessions were held prior to the federal election and how many have been held since?

**Mr HULLS** — Sorry, just the last bit of the question, just say it again.

**Mr RICH-PHILLIPS** — How many of the 30 for the current financial year were held prior to the federal election and how many have been held since?

**Mr HULLS** — I will have to take that aspect of the question on notice and make some inquiries about that. But more than 8000, almost 9000, Victorians actually obtained information and advice via the workplace rights advocate's dedicated telephone advice line. It has conducted a number of information sessions, it is true, around the state, but that is not its only role. Its other roles, of course, include investigating complaints. The telephone advice line raised more than 11 000 complaints and queries. I think over 20 000 Victorians have actually logged into the workplace rights advocate's website and been able to download information about their rights at work.

This provision of information and advice has been crucial for employers and employees, particularly in the context of the former federal government's very complex WorkChoices legislation. The workplace rights advocate has also — and I assume at these information sessions and outside the information sessions — distributed a range of publications and fact sheets designed to inform employers and employees, particularly young employees, I have to say, and their parents and women about their respective rights, entitlements and obligations in the workplace. The workplace rights advocate has also investigated over 110 matters which have highlighted, amongst other things, the unfairness that employees suffered under WorkChoices. It also conducted a formal inquiry into the impact of WorkChoices in the retail and hospitality industries. As well as the issues you raised about the information sessions, as you can see it has been fairly busy in providing information and advice to Victorians through a whole range of other mechanisms as well.

It has commissioned a whole range of projects, some of which examined the impact of WorkChoices on employers and employees. It also had a role, until recently, of assessing a number of proposed public sector agreements to determine whether or not they passed the appropriate fairness test. How many of these information sessions have been held after the federal election, I am not aware of — it is an independent authority. But I can find out for you.

I can get that information to you. Although I note that in the workplace rights advocate annual report it reports on presentations which it has given. At page 12 of its last annual report it says:

Following its establishment the OWRA developed and implemented a statewide speaking program, delivering relevant and informative presentations to a diverse range of groups. These presentations have principally focused on the OWRA's roles and functions and industrial relations arrangements in Victoria including WorkChoices.

... During the reporting period the OWRA has actively participated in 80 such presentations, 21 of which have been undertaken in rural and regional Victoria.

And then it talks about the types of presentations it has presented. Then it goes and talks about its regional activities. I do not know how many it has presented since the federal election. I will find out and get back to you.

**Mr NOONAN** — I wanted to say that the work done in the owner-driver and forestry contractors area has been really quite outstanding and of course has had support from industry stakeholders in terms of creating new laws in Victoria. But there is another group of workers in the Victorian community broadly labelled as outworkers. I wonder as part of the future going forward what the Victorian government might do to support broadly this group of workers in particular in the context of this budget.

**Mr HULLS** — Outworkers certainly are an extremely valuable group of workers in our community. They are, to be frank with you, a largely invisible workforce. They are predominantly migrant women and many of them are working alone from their homes. As a government we were quick to recognise this. We made a commitment to do what we could to seek to improve the lives of this cohort of workers and their families.

We introduced, some time ago now, the Outworkers (Improved Protection) Act to ensure that outworkers in the clothing industry received their lawful entitlements. In 2005 we made amendments to that legislation to strengthen those protections. We legislated to ensure that the terms and conditions of all outworkers were protected regardless of whether they were called independent contractors or employees. A lot of these people were being deemed to be independent contractors and were being ripped off as a result, so we changed legislation to ensure that did not occur. We also stepped in to shield outworkers from many of the federal government's unfair laws by ensuring that Victorian outworkers received the same wages and conditions as federal award employees in a post WorkChoices environment.

We also established the Ethical Clothing Trades Council of Victoria some three years ago to advise the government on an ongoing basis in relation to helping outworkers. It recommended we develop a plan to help outworkers in their current employment and to facilitate their move into the broader workforce by upgrading their skills. That



council identified a number of barriers really to outworkers who were keen to seek alternative employment and training, including difficulties with English, lacking tertiary qualifications, overwhelming family responsibilities, lack of confidence due to prolonged social isolation and the like.

In partnership with a number of Victorian government agencies, employers, unions, community organisations and training providers, we developed a program which sought to assist outworkers to overcome many of these barriers. The result was a series of education and training courses which focused on areas of skill shortage and locations of interest to outworkers. I have to say that this has been of enormous benefit to this very disadvantaged group of workers. Students in these courses undertake six-week training programs in subjects such as hospitality, commercial cookery, child care, pattern making, aged care, dry-cleaning and the like. When they are finished they are provided with post course employment opportunities.

I was fortunate enough to attend a graduation ceremony for outworkers who had undergone retraining at William Angliss Institute of TAFE and who were helped into employment opportunities in the hospitality industry. This strategy is a win-win strategy. It is a win for the outworkers affected by a downturn in some of the industries in which they work, and a winner for industries that cry out for skilled staff. We will continue to do what we can to assist the lot of outworkers. They are a vulnerable group within Victoria. We have done a lot, but we will continue to monitor the reforms that we have already implemented.

**Mr PAKULA** — From an IR perspective the Victorian building industry has always received a lot of attention. Can you give the committee some information about how competitive that industry is right now and look to the forward estimates period. I have got a particular interest in it, given that my dad still works in the Victorian building industry so I would be interested to hear some outlook on that.

**Mr HULLS** — I am happy to. It will allow me to get back to the issue that Kim Wells first raised about industrial disputes in Victoria. Our building and construction industry, as your old man would know, is robust and continues to flourish as the momentum from a record-breaking 2007 has laid, I think, the foundations for a very prosperous 2008. The fact is that the Victorian building industry, the Victorian construction industry, is highly competitive. The most recent building industry comparative index independently prepared and then verified by Econtech confirms that Victoria remains a national leader in the commercial building sector. That index examines a number of variables, including tender price, cost per square metre, taxes and duties, cost of materials, labour disputes and supply, and also incidents in industry.

That index shows a number of very interesting things. First of all Victoria's building industry has improved by 20 index points since 2002. Victoria has the lowest tender prices relative to all the other eastern seaboard states. Industrial disputes remain at historically low levels, with 20 days lost to strikes in the half year to June, down from 343 in June 2000, and Victoria has the lowest injury incident rates in the nation, with 18.9 injuries per thousand employees. Recent case studies of five major projects, including the synchrotron, Holden engine plant, Melbourne Airport runway, Southern Cross building, GE and Botanica show that construction companies in Victoria, their workforce and their unions can collaborate to get on with the job in a positive manner and deliver projects on time and on budget. The index also shows the value of building permit activity reached \$18.3 billion during the 2007 calendar year, which was an increase of 10 per cent on 2006 figures. Since 1999 the number of working days lost per 1000 employees in the Victorian construction industry has steadily declined. Days lost to disputes in the Victorian construction industry declined from 635 per 1000 employees in 1999 to 28.9 in 2007.

If this good news was not good enough, there is even more good news and that was of course in the latest budget which provided a further 5 per cent reduction in the average premium rate for WorkCover, which is great news. Basically the building industry is going very well. We should never be complacent, but this is an independent assessment of the building industry in Victoria compared to other jurisdictions, and the building industry is going very well in this state.

**Mr DALLA-RIVA** — Just following on from your discussion in terms of the improvements, do you think those improvements are as a result of the Australian Building and Construction Commission's work and do you support moving forward the abolition as proposed by the ALP at their recent conference?

**Mr HULLS** — No, I do not think it is as a result of the federal body that was set up by the previous federal government. I think it is because of the enlightened, collaborative and cooperative approach we have here in Victoria.

**Mr WELLS** — You said that with a straight face.

**Mr HULLS** — You asked me what — —

**Mr PAKULA** — He asked the question with a straight face, which is even more amazing.

**Mr HULLS** — You asked me what my view was and I think the body that was set up here in Victoria — the Building Industry Consultative Council which I set up some years ago — has been the catalyst for a more cooperative, collaborative approach to the building sector here in Victoria. I think as a result those figures that I quoted can be, if not directly, indirectly attributed to that new cooperative approach in the sector here in Victoria. Why did we set it up? We set it up because it is true that the sector had a pretty bad name. It is true that there was at least a myth out there that it was too difficult to undertake construction projects here in Victoria. Myth and reality become the same thing unless the facts are put on the table, and so the index that has been established is an independent evaluation of the construction sector in this state and it puts the facts on the table. I have cited those facts to you in relation to the answer I just gave to Martin. We do not believe the ABCC has had a great role to play.

The second part of your question is a motion that was moved at the state conference, a resolution I think calling for the immediate abolition of the ABCC. The federal government went to the last election with a commitment in relation to the ABCC and this commitment was that it would retain the ABCC until 30 January 2010. I am a very strong supporter of Forward with Fairness and will work very closely with the federal minister with a view to implementing Forward with Fairness. Some areas of Forward with Fairness are silent and obviously there is room for negotiations and discussions in relation to how those gaps can be filled. But the federal government was pretty clear in relation to the ABCC, and I support Forward with Fairness and will support Julia Gillard in implementing her policy.

**The CHAIR** — Thank you, Minister. We have just about finished our questions. I was going to ask you about how the 10 point plan is going, but I am sure it will probably take a long answer.

**Mr HULLS** — Next year.

**The CHAIR** — Maybe we might leave it at that for the moment. Minister, I thank you very much for your presentation today. That concludes the consideration of budget estimates for the portfolios of Attorney-General, racing and industrial relations. I thank the departmental officers as well as you for attending, Minister. The committee has a couple of issues to be followed up with and we would appreciate the information requested for the matters on notice to be responded to within 30 days. That concludes the session today. In fact it concludes all the estimates hearings for 2008–09.

**Committee adjourned.**