

**Outcome 2: Facilitate jobs growth through policies that promote fair, productive and safe workplaces.**

**Outcome 2 strategy**

Through this outcome, the department supports the Australian Government to deliver a national workplace relations system that encourages employers and employees to agree on productive and competitive working arrangements to support jobs growth.

The department also supports the government to improve workplace health and safety and workers' compensation arrangements for Commonwealth and private sector employers and their employees under the Comcare scheme.

The Productivity Commission review of the workplace relations system is an important initiative that will inform the department's policy development work.

Strategies for achieving this outcome in 2015–16 include:

- providing legal and policy advice to the government on the implementation of its workplace relations, work health and safety and workers' compensation reform agenda
- preparing submissions and participating in hearings and inquiries on behalf of the government
- continuing to prepare legislation and working closely with stakeholders to implement government priorities
- contributing to safer workplaces and higher productivity through implementation of national approaches to workplace health and safety and workers' compensation laws
- leading legislative and non-legislative measures to improve the Comcare scheme
- continuing to implement the improvements agreed by the government to modernise and streamline the work health and safety accreditation scheme (for contractors that undertake Commonwealth funded building work).
- streamlining gender reporting while maintaining a focus on driving gender equality in the workplace through supporting a working group that is examining better ways to implement gender reporting
- continuing to work cooperatively with states and territories to ensure ongoing effectiveness of the national workplace relations system, and work health and safety frameworks
- supporting the integrity of the workplace relations framework through strategic interventions in key cases before courts and tribunals
- promoting the effective operation of the workplace relations system through working closely with existing workplace relations agencies including the Fair Work Commission, the Fair Work Ombudsman, Office of the Fair Work Building Industry Inspectorate and, subject to passage of legislation by the

parliament, its replacement the Australian Building and Construction Commission

- working with Safe Work Australia, Comcare and the Asbestos Safety and Eradication Agency to promote the safety and wellbeing of employees and the Workplace Gender Equality Agency to promote gender equality in workplaces
- maintaining the workplace agreement database and preparing quarterly published reports, policy advice and programme administration of the Fair Entitlements Guarantee programme, research and evaluation and support to the International Labour Organization.

## Outcome expense statement

Table 2.2 provides an overview of the total expenses for Outcome 2 by programme.

**Table 2.2 Budgeted expenses and resources for Outcome 2**

	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
<b>Outcome 2: Facilitate jobs growth through policies that promote fair, productive and safe workplaces.</b>		
<b>Programme 2.1: Employee Assistance</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	13,317	6,025
Special appropriations	438,123	373,386
<b>Total for programme 2.1</b>	<b>451,440</b>	<b>379,411</b>
<b>Programme 2.2: Workplace Assistance</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,643	15,010
<b>Total for programme 2.2</b>	<b>14,643</b>	<b>15,010</b>
<b>Programme 2.3: Workers Compensation Payments</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	7,563	7,727
Special appropriations	72,956	69,726
<b>Total for programme 2.3</b>	<b>80,519</b>	<b>77,453</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	35,523	28,762
Special appropriations	511,079	443,112
Departmental expenses		
Departmental appropriation <sup>1</sup>	60,783	41,011
Expenses not requiring appropriation in the Budget year <sup>2</sup>	4,312	4,772
<b>Total expenses for Outcome 2</b>	<b>611,697</b>	<b>517,657</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	<b>483</b>	<b>497</b>

<sup>1</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

<sup>2</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome 2

### Programme 2.1: Employee Assistance

#### Programme objective

The promotion of fair workplaces by ensuring the protection of employee entitlements in certain circumstances.

#### Administered items

- *Coal Mining Industry (Long Service Leave) Administration Act 1992* financing arrangements – under this Act the cost of portable long service leave entitlements is managed through a central fund administered by the Coal Mining Industry (Long Service Leave Funding) Corporation. Monthly levy collection transfers are made from the consolidated revenue fund to the central fund.
- *Fair Entitlements Guarantee* – established under the *Fair Entitlements Guarantee Act 2012* to provide financial assistance for certain unpaid employment entitlements when an employee loses their job through the liquidation or bankruptcy of their employer on or after 5 December 2012. The recovery of costs to the Fair Entitlements Guarantee programme will be strengthened through a two year trial of enhanced recovery activity, including an evaluation to assess the success of the programme and review whether further funding should be provided.

**Table 2.2.1 Budgeted expenses for Programme 2.1**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual administered expenses:					
General Employee Entitlements and Redundancy Scheme	12,817	-	-	-	-
Fair Entitlements Guarantee	500	6,025	6,805	1,750	1,750
Special appropriations:					
<i>Coal Mining Industry (LSL) Act   1992</i>	174,618	174,618	174,618	174,618	174,618
<i>Fair Entitlements Guarantee Act 2012</i>	263,505	198,768	199,264	195,532	195,532
<b>Total programme expenses</b>	<b>451,440</b>	<b>379,411</b>	<b>380,687</b>	<b>371,900</b>	<b>371,900</b>

**Programme 2.2: Workplace Assistance**

**Programme objective**

To contribute to the productivity agenda by ensuring the operation of the workplace relations system through initiatives designed to encourage employers and employees to adopt flexible and modern workplace relations.

**Administered items**

- International Labour Organization (ILO) – the Australian Government’s annual membership subscription to the ILO. The government works with other member states and representatives from employer and employee organisations to: participate in international policy discussions on labour issues; contribute to technical cooperation in the Asia-Pacific region; report on standards at the national level; and participate as a member of the ILO Governing Body.
- Protected Action Ballots Scheme – costs incurred by the Australian Electoral Commission in relation to protected action ballots. A protected action ballot is a statutory prerequisite to protected industrial action under the *Fair Work Act 2009*.
- Centre for Workplace Leadership – the government’s contribution to the Centre. Funding to the Centre will cease at the end of the 2015–16 year as contracted.

**Table 2.2.2 Budgeted expenses for Programme 2.2**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual administered expenses:					
International Labour Organization Subscription	9,948	10,277	10,594	10,620	10,652
Protected Action Ballots Scheme	1,600	1,600	1,600	1,600	1,600
Centre for Workplace Leadership	3,095	3,133	-	-	-
<b>Total programme expenses</b>	<b>14,643</b>	<b>15,010</b>	<b>12,194</b>	<b>12,220</b>	<b>12,252</b>

**Programme 2.3: Workers' Compensation Payments**

Information on Workers' Compensation Payments can be found in Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Authority on page 94.

**Table 2.2.3 Budgeted expenses for Programme 2.3**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual administered expenses:					
Comcare	7,563	7,727	6,194	6,235	6,279
Special appropriations:					
<i>Asbestos-related Claims Act 2005     Safety, Rehabilitation &amp; Compensation     Act 1998</i>	22,887	33,211	32,574	34,472	35,849
	50,069	36,515	35,312	34,109	32,614
<b>Total programme expenses</b>	<b>80,519</b>	<b>77,453</b>	<b>74,080</b>	<b>74,816</b>	<b>74,742</b>

**Outcome 2: Effectiveness Indicators**

Three effectiveness indicators are used to assess the ‘health’ of the workplace relations system: productivity and wages growth; levels of industrial action; and use of enterprise bargaining.

**Table 2.2.A The national workplace relations system supports improved productivity outcomes**

Performance measure	December quarter 2013	December quarter 2014	Comments
Productivity growth as measured by output per hour worked in the market sector (annual, trend terms)	1.9%	0.3%	The data show that productivity fell from 1.9 per cent growth over the year to the December quarter 2013 to 0.3 per cent over the year to the December quarter 2014. Recent productivity growth numbers may be subject to revision.
ABS Wage Price Index (annual, seasonal adjusted terms)	2.6%	2.5%	The Wage Price Index remained steady at 2.5 per cent, compared to 2.6 per cent the previous year.

**Table 2.2.B Incidence of industrial action (allowing for variations in the bargaining cycle)**

Performance measure	December quarter 2013	December quarter 2014	Comments
Working days lost per thousand employees (annual WDL/1000E)	12.6	6.8	The incidence of industrial disputes for the December quarter 2014 fell to 6.8 working days lost per thousand employees, compared to 12.6 working days lost per thousand employees in the same quarter of 2013. The data have limitations as only disputes that result in a total of 10 or more working days lost are counted by the ABS survey and include industrial action taken by state system employees. Working days lost is a volatile measure which is affected by a range of factors such as bargaining cycles.

**Table 2.2.C Enterprise bargaining is used by employers and employees to negotiate pay and conditions**

Performance measure	December quarter 2013	December quarter 2014	Comments
Number of enterprise agreements under the Fair Work Act 2009 that have not passed their nominal expiry date	23,243 agreements covering an estimated 2.61 million employees (current as at 31 December 2013)	18,936 agreements covering an estimated 2.40 million employees (current as at 31 December 2014)	There was a fall in the number and coverage of enterprise agreements to 18,936 agreements covering an estimated 2.4 million employees as at the December quarter 2014. The fall in the number of agreements is primarily due to industry bargaining cycles, particularly in the construction industry where a large number of agreements that expired earlier in 2014 had not yet been replaced.

## Outcome 2: Departmental outputs

Departmental outputs incorporate a range of programmes and activities managed within the department that help ensure workplaces are safe, fair and productive. This is achieved by, for example, improving the legislative underpinnings of the workplace relations framework, leveraging Commonwealth funding to improve safety on building sites, improving ‘return to work’ outcomes for people injured in the workplace, protecting workers’ entitlements when their employment terminates because of liquidation or bankruptcy of their employer and engaging with other agencies and internationally to achieve better workplace relations outcomes. In 2015–16 the department will:

- provide legal and policy advice on the operation of the national workplace relations system
- support the passage of legislative amendments to *the Fair Work Act 2009* and the *Fair Work (Registered Organisations) Act 2009* before the Parliament
- provide legal and policy advice on key matters before industrial tribunals and the courts
- provide legal and policy advice on the Comcare Scheme, and support the legislative passage of reforms to the Scheme
- support improved practices in relation to work health and safety and workers’ compensation
- work with industry participants to improve the Commonwealth’s Seacare scheme



- improve the performance of the building and construction industry by supporting the passage of legislation to re-establish the Australian Building and Construction Commission and issue a revised building code setting out the government's expectations for best practice workplace relations behaviour on construction projects funded by the Commonwealth
- contribute to reviews initiated by the Fair Work Commission including the 2016 Annual Wage Review
- ensure Commonwealth funded projects are undertaken by builders with safety systems and practices accredited by the Federal Safety Commissioner (under the Australian Government Building and Construction WHS Accreditation Scheme)
- work with the Asbestos Safety and Eradication Agency, Comcare, Fair Work Commission, Fair Work Ombudsman, Office of the Fair Work Building Industry Inspectorate, Safe Work Australia and the Workplace Gender Equality Agency to reduce unnecessary regulatory and administrative burden for business
- contribute to government initiated reviews including the Productivity Commission inquiry into the workplace relations framework
- ensure timely and accurate payment of financial assistance to eligible claimants under the *Fair Entitlements Guarantee Act 2012* which protects certain unpaid employee entitlements where employees lose their employment due to the liquidation or bankruptcy of their employer
- administer the Centre for Workplace Leadership Fund to encourage higher performing and innovative workplaces by strengthening Australia's leadership capability
- engage strategically with relevant international organisations such as the ILO and OECD on workplace relations, work health and safety and employment participation policy issues to advance Australia's interests.

**Table 2.2.D Outcome 2 departmental outputs performance measures**

Performance indicator	2015–16 estimate
Fair Entitlements Guarantee (FEG) - Timeliness of processing claims – percentage of claims processed within 16 weeks of receipt of an effective claim <sup>1</sup>	80%
FEG - Timeliness of processing claims - average processing time for all claims <sup>2</sup>	14 weeks
FEG - Accuracy – less than 5% of claim decisions are incorrect <sup>3</sup>	<5%
FEG - Stakeholder satisfaction – Claimants are satisfied with the Department’s administration of the Fair Entitlements Guarantee <sup>4</sup>	80%
FEG - Stakeholder satisfaction – Insolvency practitioners are satisfied with the Department’s administration of the Fair Entitlements Guarantee	80%
Building Code - Timeliness of departmental responses to client requests for assessment of industrial instruments against the code and guidelines	95% completed within 10 working days
Australian Government Building and Construction WHS Accreditation Scheme (Scheme) - Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner	Effective or above
Scheme - timeliness of responding to initial applications for accreditation <sup>5</sup>	More than 90% of accreditation applications are assessed and contact is made with the applicant within 10 working days

<sup>1</sup> The timeliness indicator for FEG 2015–16 has been revised to account for the overall time it takes to process claims under the scheme. Previously used indicators related to specific components of the process only.

<sup>2</sup> To provide additional information and transparency on processing times, a second timeliness measure will be implemented from 2015–16.

<sup>3</sup> The accuracy indicator has also been revised. Previously, the accuracy of decision making was based on the number of review claim decisions which found the initial decision to be incorrect. This encompassed only a small proportion of all initial claim decisions in the scheme. Expanding the measure to include all claim decisions (regardless of whether they were subject to a review or appeal of the original decision) provides more comprehensive assurance on quality in programme delivery.

<sup>4</sup> The stakeholder satisfaction indicator has been revised to incorporate the views of claimants. Stakeholder satisfaction has been previously measured based on the views of insolvency practitioners.

<sup>5</sup> Changes to the key performance indicators for the Office of the Federal Safety Commissioner are currently being finalised in consultation with the building and construction industry.