

Outcome 4

Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements

Outcome 4 strategy

The Government encourages productive, collaborative, innovative, profitable, safe and cooperative workplaces to underpin economic growth and support jobs.

The object of the *Fair Work Act 2009* is to provide a balanced framework for cooperative and productive workplace relations that promotes national economic prosperity and social inclusion for all Australians. Maintaining the successful operation of the national workplace relations system contributes to improving productivity for Australian businesses and fairness for Australian workers.

To maintain the successful operation of the workplace relations system, the department provides advice to the Government on workplace relations development and issues including key cases before industrial tribunals and the courts so that it can act to ensure that the system is operating as intended.

A continuing priority of the Government is enhancing the operation of the Fair Work Act where there is a demonstrated need, in line with the object of the Act. The Government has implemented a number of important changes to the Fair Work Act including in response to the Post Implementation Review of the Fair Work Act.

With the introduction of the Fair Work Amendment Bill 2013 into the Parliament, the Government has responded to almost half of the Review Panel's 53 recommendations. Consideration of, and consultation on, the remaining recommendations of the Fair Work Act Review – and other improvements where required – will remain a priority for the Government in 2013–14.

The Centre for Workplace Leadership aims to improve workplace productivity by creating higher performing workplaces and stronger leadership capability in Australian workplaces. The department will work closely with the Centre to identify and build leadership capacity and promote fairness and more productive workplaces.

The department promotes safe and healthy workplaces through improvements to workplace health and safety legislation and measures to address workplace bullying. The Government responded to the House of Representatives Standing Committee on Education and Employment inquiry into workplace bullying – *Workplace Bullying "We just want it to stop"* by implementing a key recommendation of the Committee through the Fair Work Amendment Bill 2013. The proposed amendment will provide a new remedy for victims of workplace bullying, through the Fair Work Commission, which will help people

to resolve bullying quickly and inexpensively. In 2013–14, the department will work through Safe Work Australia, states and territories and other stakeholders to give effect to the Government’s response to the other recommendations arising from the Inquiry. This will help to ensure workers and employers are assisted to eliminate and prevent bullying in the workplace.

A critical issue affecting the health and safety of both Australian workers and the broader community is asbestos. Following the Asbestos Management Review, the Government established the Office of Asbestos Safety within the department. The Office has been working with state, territory and local governments to develop a National Strategic Plan by 1 July 2013.

The Asbestos Safety and Eradication Agency Bill 2013, currently before Parliament, implements a key recommendation of the Asbestos Management Review to establish a new asbestos agency with responsibility for coordination and oversight of the National Strategic Plan for asbestos awareness, management and eradication. The Agency will encourage, coordinate, monitor and report on the Plan and review or amend the Plan as required as well as commission, monitor and promote research about asbestos safety. The Agency will provide a focus on issues which go beyond workplace safety to encompass environmental and public health issues. The Asbestos Safety and Eradication Agency Bill also establishes an Asbestos Safety and Eradication Council to advise the Agency’s Chief Executive Officer and the Minister.

The Government remains committed to the implementation of harmonised workplace health and safety laws, to cut red tape, boost business efficiency and provide greater certainty and protection for all workplace parties. In 2013–14, the department will continue to work with state and territory governments to further progress the harmonisation of workplace health and safety legislation.

In 2013–14, the department will also progress implementation of the Government’s initial response to the Review of the *Safety, Rehabilitation and Compensation Act 1988*.

In 2013–14, the department will continue to work productively with statutory agencies including the Fair Work Commission, the Fair Work Ombudsman, the Office of the Fair Work Building Industry Inspectorate, Safe Work Australia and Comcare to promote harmonious, productive and fair workplace relations.

Table 2.4A Budgeted expenses and resources for Outcome 4

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Outcome 4: Safer, fairer and more productive workplaces for employers and employees by promoting and supporting the adoption of fair and flexible workplace arrangements and safer working arrangements.		
Program 4.1: Employee Assistance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	248,399	12,887
Special appropriations	224,959	365,048
Total for Program 4.1	473,358	377,935
Program 4.2: Workplace Assistance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	13,383	16,477
Total for Program 4.2	13,383	16,477
Program 4.3: Workers Compensation Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,279	6,291
Special appropriations	66,001	66,312
Total for Program 4.3	72,280	72,603
Outcome 4 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	268,061	35,655
Special appropriations	290,960	431,360
Departmental expenses		
Departmental appropriation ¹	66,939	69,195
Special appropriations		
Special Accounts		
Expenses not requiring appropriation in the Budget year ²	8,771	8,791
Total expenses for Outcome 4	634,731	545,001
	2012-13	2013-14
Average Staffing Level (number)	373	357

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

Program 4.1 Employee Assistance
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Program objective

This program is directed at either providing safety net support for employees in certain circumstances or, alternatively, supporting long standing industry arrangements which deliver employee benefits.

Administered items

- *Coal Mining Industry (Long Service Leave Funding) 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.
- General Employee Entitlements and Redundancy Scheme – a safety net payment scheme established to assist employees who are owed certain employee entitlements after they have lost their employment due to the liquidation or bankruptcy of their employer (where the liquidation or bankruptcy occurred before 5 December 2012).
- Fair Entitlements Guarantee – a legislative scheme through the *Fair Entitlements Guarantee Act 2012* to provide financial assistance to employees who are owed certain unpaid employee entitlements after they have lost their employment due to the liquidation or bankruptcy of their employer (where the liquidation or bankruptcy occurs on or after 5 December 2012).

Table 2.4.1 Administered expenses for Program 4.1

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
General Employee Entitlements and Redundancy Scheme	248,399	12,887	676	-	-
Special Appropriations:					
<i>Coal Mining Industry (LSL) Funding Act 1992</i>	169,326	172,618	172,618	172,618	172,618
<i>Fair Entitlements Guarantee Act 2012</i>	55,633	192,430	209,883	214,374	218,259
Total program expenses	473,358	377,935	383,177	386,992	390,877

Program 4.2 Workplace Assistance

Program objective

To ensure the successful operation of the workplace relations system, in particular through initiatives designed to demonstrate the benefit of cooperative workplace relations and/or to assist employers and employees understand their rights and obligations under the system.

Administered items

- International Labour Organization (ILO) – the Government’s mandatory contribution as a member of the ILO. The Government works with other member states and tripartite representatives from employer and worker organisations to: develop international labour standards; participate in international policy discussions on labour issues; contribute to technical cooperation in the Asia-Pacific region; progress ratification and reporting on standards at the national level; and, participate as a member of the ILO Governing Body.
- Protected Action Ballots Scheme – pays the costs incurred by the Australian Electoral Commission in relation to protected action ballots.
- Centre For Workplace Leadership – funds the Government’s contribution to the Centre. The Centre encourages higher performing and innovative workplaces by strengthening Australia’s leadership capability and encouraging quality jobs.
- Award Modernisation – provides assistance to peak employer and employee bodies to participate in the two and four year reviews of Modern Awards.

Table 2.4.2 Administered expenses for Program 4.2

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Protected Action Ballots Scheme	1,600	1,600	1,600	1,600	1,600
International Labour Organisation					
Subscription	8,323	8,313	8,313	8,387	8,461
Social and Community Workers					
Education and Information Program	800	-	-	-	-
Centre for Workplace Leadership	1,660	3,564	3,404	3,446	-
Award Modernisation	1,000	3,000	-	-	-
Total program expenses	13,383	16,477	13,317	13,433	10,061

Program 4.3 Workers Compensation Payments

The *Safety Rehabilitation and Compensation Act 1988 – s90D* is appropriated for the purposes of Comcare’s Outcome 2: ‘An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers’ compensation claims.’

Program objectives

- strengthen recovery and support information and services for workers with an injury to support their return to health, return to work and return to independence
- improve injury management practices and return to work performance
- improve application of evidence-based treatment for injured workers
- improve decision-making with decision support tools
- strengthen financial and business integrity for sustainability
- provide assurance that Comcare scheme employers and determining authorities have effective claims and injury management systems in place
- ensure that licensed self-insurers comply with their conditions of licence and meet continuous improvement targets.

Program expenses

- The Special Appropriation under s90D of the *Safety, Rehabilitation and Compensation Act 1988* (Grants received from portfolio departments) relates to workers’ compensation claims that were accepted prior to the establishment of the Comcare premium scheme on 1 July 1989. The costs of these claims are funded from the Consolidated Revenue Fund.
- Expenses for claims accepted since 1 July 1989 are funded from premium revenue paid to Comcare and do not require appropriation.

Table 2.4.3 Administered expenses for Program 4.3

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Comcare	6,279	6,291	6,215	6,270	6,333
Special Appropriations:					
<i>Asbestos related claims Act 2005</i>	20,428	23,957	27,250	28,794	30,147
<i>Safety, Rehabilitation & Compensation Act 1998</i>	45,573	42,355	40,981	39,161	37,143
Total program expenses	72,280	72,603	74,446	74,225	73,623

Program deliverables

The program deliverables for this Outcome are:

- compensation decisions that are consistent, prompt and fair
- better support for Comcare decision makers through improved insight and business process reforms in response to trends identified through accurate and accessible data
- disputes are resolved quickly, fairly and at a low cost
- expectations of employers' roles and responsibilities as rehabilitation authorities are clear and are supported by targeted audits and regulatory activity
- cost base is optimised so that every dollar Comcare spends counts.

Program key performance indicators

The performance indicators for this outcome are:

- employers' and injured workers' satisfaction with recovery and support services
- other key performance indicators are described in the table below:

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget target	2014-15 Forw ard year 1	2015-16 Forw ard year 2	2016-17 Forw ard year 3
Durable return to work rate (i.e. the percentage of injured workers with ten or more days lost time who were working in a paid job 7 to 9 months after lodging their claim)	77%	89%	90%	90%	90%
Funding ratio (i.e. percentage of premium-related total assets to premium-related total liabilities)	67%	70%	74%	78%	82%
Percentage of licensees compliant with licensing obligations	97%	100%	100%	100%	100%
Commonwealth average premium rate	1.77	1.82	1.82	1.82	1.82

Outcome 4 Effectiveness indicators

Data is not provided for deliverables because the administered items address legal or administrative issues rather than advancing major government initiatives.

The following data is the latest available at the time of writing.

Table 2.4B Effectiveness indicators for Outcome 4

	December quarter 2011	December quarter 2012	Comments
The federal workplace relationship system supports improved productivity outcomes			
Productivity as measured by output per hour worked in the market sector (annual, trend terms)	2.3%	2.3%	Short term changes in productivity growth should be interpreted with caution because quarterly and annual rates of labour productivity are prone to volatile and cyclical effects and data are often revised by the ABS with updated information
ABS Wage Price Index (annual, seasonal adjusted terms)	3.6%	3.4%	The annual wages growth has slowed slightly over the past year
Low incidence of industrial action (allowing for variations in the bargaining cycle)			
Working days lost per thousand employees (annual WDL/000E)	23.9	26.7	The increase in the dispute rate is entirely explained by a large increase in disputes in the combined education and training and health care and social assistance industry
Working days lost in federal bargaining disputes (annual, WDL)	Not available	178,800	The ABS did not publish data on working days lost in federal bargaining disputes for the September quarter 2011 and the March quarter 2011. As a result the annual 2011 figure is not available
Collective bargaining is widely used by employers and employees to negotiate pay and conditions			
Number of workplaces whose employees had their pay determined by an enterprise agreement made under the <i>Fair Work Act 2009</i> ¹	6865 Fair Work Act agreements, covering 903,000 employees, approved (12 months to 31 Dec 2011)	8225 Fair Work Act agreements, covering 1.036 million employees approved (12 months to 31 Dec 2012)	Annual data for enterprise agreement approvals can be influenced by industry bargaining cycles and should therefore be interpreted with some caution

¹ This indicator previously measured the number of employees covered under enterprise agreements made under the *Fair Work Act 2009* (2.7 million as at May 2010). It has been amended to now measure the number of workplaces represented.

Outcome 4 Departmental outputs

The bulk of the effort supporting Outcome 4 is funded through departmental appropriations. The department works to encourage employers and employees to adopt fair and flexible workplace arrangements. In 2013–14 DEEWR will:

- support research to provide an evidence base for workplace relations policy leading to fairer and more productive workplaces
- provide advice on key workplace relation developments and issues including key matters before industrial tribunals and the courts
- pursue options for promoting the development of collaborative, flexible and sustainable workplaces
- promote work/life balance including options for flexible working arrangements
- work with Safe Work Australia and the Select Council on Workplace Relations to maintain model workplace health and safety laws and encourage those jurisdictions that are yet to do so to implement harmonised arrangements
- continue to work with the building and construction industry to improve workplace relations and WHS
- implement key recommendations from the House of Representatives Standing Committee on Education and Employment inquiry into workplace bullying – *Workplace bullying “we just want it to stop”*
- implement the Government’s response to recommendations made by the Safety, Rehabilitation and Compensation Act Review to ensure equitable, effective and cost-effective compensation within the Comcare scheme
- administer claims for financial assistance under the Fair Entitlements Guarantee and the legacy administrative based scheme, the General Employee Entitlements and Redundancy Scheme (GEERS), to protect certain unpaid employee entitlements where employees lose their employment due to the liquidation or bankruptcy of their employer
- administer the HomeWorkers Code of Practice program that supports the development and promotion of the HomeWorkers Code of Practice and the ‘Ethical Clothing Australia’ label
- engage in international labour policy including in relation to free trade agreements, labour issues in Asia-Pacific region and implementation of international labour standards at the national level through ratification of priority ILO conventions
- support the operation of the Centre for Workplace Leadership.

In 2013–14 the major priorities for the department will be the provision of legal and policy advice on: the operation of the Fair Work Act, building and construction industry workplace relations matters; the Road Safety Remuneration system; asbestos safety and eradication responses to the Safety,

Rehabilitation and Compensation Act Review; and the Review of the Seacare Scheme and harmonisation of WHS laws.

Table 2.4C Performance information for Outcome 4 departmental outputs

Performance indicator	2013–14 estimate
<i>Program management</i>	
GEERS—timeliness of processing claims	80% processed within 16 weeks of receipt 98% processed within 4 weeks of receipt of verified entitlement data
GEERS—accuracy of stakeholders (insolvency practitioners)	Over 98% of payments not varied after appeal
GEERS—satisfaction of stakeholders (insolvency practitioners)	Satisfied or above
Fair Entitlements Guarantee—timeliness of processing claims	90% of requests for verified entitlement data are initiated within 2 weeks of claim receipt or liquidation date (whichever is later) 90% of eligibility and advance decision made within 4 weeks of receiving verified entitlement data
Fair Entitlement Guarantee—accuracy of processing claims	95% of eligibility and advance decisions are accurate having regard to the information available when making the decision
Fair Entitlements Guarantee—stakeholder satisfaction	80% of stakeholders (insolvency practitioners) are satisfied with the administration of FEG
Timeliness of departmental responses to client requests for assessment of industrial instruments against the code and guidelines	95% completed within 10 working days
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