

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 to underpin jobs growth and promote fair and safe workplaces for all Australians. Strategies for achieving this outcome during 2014–15 include:

- providing legal and policy advice to the government on the implementation of its workplace relations, workplace health and safety and workers compensation reform agenda
- providing legal and policy advice to the government on the operation of the workplace relations framework
- preparing legislation to implement government policies and developing measures that contribute to a simple and effective workplace relations system
- preparing submissions and participating in hearings and inquiries on behalf of the government
- contributing to higher productivity through the implementation of national approaches to workplace health and safety and workers' compensation laws
- working with employees, employers and their representative bodies, as well as state and territory governments to ensure ongoing effectiveness of the national workplace relations system
- working with Australian Government agencies to support the effective operation of the workplace relations system, the safety and wellbeing of employees and gender equality in workplaces
- working with other departments on issues including the Annual Wage Review, review of superannuation default funds in awards, review into Regulation of Coastal Shipping and the review of Integrity in the Subclass 457 Visa Programme
- maintaining the workplace agreements database and preparing quarterly published reports
- administering the Fair Entitlements Guarantee programme
- engaging with the International Labour Organisation, OECD and G20
- re-establishing the Australian Building and Construction Commission and establishing the Registered Organisation Commission
- contributing to practical and common sense approaches to work health and safety.

Outcome Expense Statement

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

Table 2.2: Budgeted Expenses for Outcome 2

Outcome 2: Facilitate jobs growth through policies that promote fair, productive and safe workplaces.	2013-14 Estimated actual expenses ¹ \$'000	2014-15 Estimated expenses \$'000
Programme 2.1: Employee Assistance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,685	13,317
Special appropriations	264,520	379,615
Total for Programme 2.1	274,205	392,932
Programme 2.2: Workplace Assistance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	11,625	14,930
Total for Programme 2.2	11,625	14,930
Programme 2.3: Workers Compensation Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,433	7,563
Special appropriations	40,190	65,859
Total for Programme 2.3	41,623	73,422
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	22,743	35,810
Special appropriations	304,710	445,474
Departmental expenses		
Departmental appropriation ²	72,905	77,782
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year ³	8,262	10,729
Total expenses for Outcome 2	408,620	569,795
	2013-14	2014-15
Average Staffing Level (number)	458	489

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

² Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

³ Expenses not requiring appropriation in the Budget year comprise depreciation and amortisation expenses and audit fees.

Contributions to Outcome 2

Programme 2.1: Employee Assistance

Programme objective

This programme is directed at protecting 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.
- General Employee Entitlements and Redundancy Scheme – an administrative scheme which provides financial assistance for certain unpaid employment entitlements when an employee loses their job through the liquidation or bankruptcy of their employer before 5 December 2012.

Table 2.2.1 Administered expenses for Programme 2.1

	2013-14 Estimated actual ¹ \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
General Employee Entitlements and Redundancy Scheme	9,685	12,817	-	-	-
Fair Entitlements Guarantee	-	500	1,050	1,750	1,750
Special Appropriations:					
<i>Coal Mining Industry (LSL) Funding Act 1992</i>	130,388	174,618	174,618	174,618	174,618
<i>Fair Entitlements Guarantee Act 2012</i>	134,132	204,997	198,768	199,264	195,532
Total Programme expenses	274,205	392,932	374,436	375,632	371,900

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

Programme 2.2 Workplace Assistance

Programme objective

To ensure the successful operation of the workplace relations system through initiatives designed to encourage employers and employees to adopt productive and modern workplace relations.

Administered items

- International Labour Organization (ILO) – is 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.
- Centre For Workplace Leadership – funds the government’s contribution to the Centre. The Centre focuses on strengthening Australia’s leadership capability to foster more productive workplaces.

Table 2.2.2 Administered expenses for Programme 2.2

	2013-14 Estimated actual ¹ \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Protected Action Ballots Scheme	1,414	1,600	1,600	1,600	1,600
International Labour Organisation Subscription	7,298	9,926	9,915	9,989	10,165
Leadership Institute	1,944	3,404	3,446	-	-
Award Modernisation	969	-	-	-	-
Total Programme expenses	11,625	14,930	14,961	11,589	11,765

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

Programme 2.3 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.'

Programme objectives

- Timely, responsive and appropriate management of workers' compensation claims.
- Recovery and support information and services for workers with an injury which support their return to health, return to work and return to independence.
- Continuous improvement in injury management practices and return to work performance.
- Decision-making leading to fair and equitable compensation.
- Management of claims liabilities within an appropriate framework.

Programme expenses

- The Special Appropriation under s90D of the *Safety, Rehabilitation and Compensation Act 1988* 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 2.2.3 Administered expenses for Programme 2.3

	2013-14 Estimated actual ¹ \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Comcare	1,433	7,563	7,507	6,052	6,111
Special Appropriations:					
<i>Asbestos related claims Act 2005</i>	9,858	26,356	30,031	31,586	32,543
<i>Safety, Rehabilitation & Compensation Act 1998</i>	30,332	39,503	38,282	36,449	34,885
Total Programme expenses	41,623	73,422	75,820	74,087	73,539

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

Programme deliverables

The programme deliverables for this outcome are:

- compensation decisions are consistent, prompt and fair
- 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
- Comcare operates efficiently to deliver value for money.

Programme key performance indicators

The performance indicators for this outcome are described in the Table 2.2.3A.

Table 2.2.3A Programme 2.3 key performance indicators

Performance indicator	2013–14	2014–15
Durable return to work rate (i.e. the percentage of injured workers from premium paying organisations, with ten or more days lost time, who had submitted a claim 7 to 9 months prior to interview, and who were working in a paid job at the time of the interview)	89%	90%
Funding ratio (i.e. percentage of premium-related total assets to premium-related total liabilities)	70%	71%
Commonwealth average premium rate	1.82	2.12
Employer satisfaction with recovery and support services	57%	61%
Injured worker satisfaction with recovery and support services	79%	81%

Outcome 2 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 2.2.3B Outcome 2 effectiveness indicators

	December quarter 2012	December quarter 2013	Comments
The federal workplace relationship system supports improved productivity outcomes			
Productivity as measured by output per hour worked in the market sector (annual per cent growth, trend terms)	2.5	1.8	Productivity growth numbers may be subject to revision
ABS Wage Price Index (annual per cent growth, seasonal adjusted terms)	3.4	2.6	
Low incidence of industrial action (allowing for variations in the bargaining cycle)			
Working days lost per thousand employees (annual WDL/1000E)	26.7	12.6	Working days lost is volatile and should be treated with caution
Collective bargaining is widely used by employers and employees to negotiate pay and conditions			
Number of current enterprise agreements under the <i>Fair Work Act 2009</i>	23,576 agreements covering an estimated 2.57 million employees (current as at 31 December 2012)	23,236 agreements covering an estimated 2.62 million employees (current as at 31 December 2013)	Number of current enterprise agreements is slightly lower as at 31 December 2013 because of industry bargaining cycles and a longer term decline in agreement making in the Retail and Accommodation and Food Services industries.

Outcome 2 Departmental outputs

The majority of the activities supporting Outcome 2 are funded through departmental appropriations. In 2014–15 the department will:

- provide legal and policy advice on the operation of the national workplace relations system including: developments in enterprise bargaining; wages and conditions; and workplace flexibility
- support 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 of workplace relations behaviour on construction projects funded by the Commonwealth
- provide legal and policy advice on the implementation of reforms to the *Fair Work Act 2009* and *Fair Work (Registered Organisations) Act 2009* and other election commitments
- develop implementation strategies in response to recommendations made by the 2013 Safety, Rehabilitation and Compensation Act Review to ensure equitable, effective and cost-effective compensation within the Comcare scheme including through amendments to the *Safety, Rehabilitation and Compensation Act 1988*
- continue to work with the building and construction industry to improve workplace health and safety, including the implementation of the government's response to recommendations arising from the review of the Office of the Federal Safety Commissioner and the Australian Government Building and Construction OHS Accreditation Scheme
- work with the Asbestos Safety and Eradication Agency, Comcare, Fair Work Commission, Fair Work Building Industry Inspectorate, Fair Work Ombudsman, Safe Work Australia and the Workplace Gender Equality Agency to reduce unnecessary regulatory and administrative burdens for business
- provide legal and policy advice on key matters before industrial tribunals and the courts and pursue strategic interventions
- contribute to reviews initiated by the Fair Work Commission including the 2015 Annual Wage Review and four yearly review of modern awards
- contribute to reviews including the Productivity Commission review of the Fair Work framework and the Royal Commission into Trade Union Governance and Corruption
- administer claims for financial assistance under the *Fair Entitlements Guarantee Act 2012* and the legacy administrative 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 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, OECD and G20 on workplace relations policy issues to advance Australia's interests.

Table 2.2.3C Outcome 2 departmental outputs performance information

Performance indicator	2013–14 estimate	2014–15 estimate
Programme management		
Fair Entitlements Guarantee – timeliness of processing claims	90% of requests for verified entitlement data are initiated within two weeks of claim receipt or liquidation date (whichever is later) 90% of eligibility and advance decisions made within four weeks of receiving verified entitlement data	90% of requests for verified entitlement data are initiated within two weeks of claim receipt or liquidation date (whichever is later) 90% of eligibility and advance decisions made within four weeks of receiving verified entitlement data
Fair Entitlements Guarantee – accuracy of processing claims	90% of eligibility and advance decisions are accurate having regard to the information available when making the decision	90% 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	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	95% completed within five 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	Effective or above
Office of the Federal Safety Commissioner – timeliness of responding to initial applications for accreditation	Not applicable	More than 90% of accreditation applications are assessed and contact is made with the applicant within 10 working days