

Chapter 2

Jobs and Small Business

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2017-18 financial year for Jobs and Small Business.

2.2 On 28 February 2018, the committee heard evidence from Senator the Hon. Michaelia Cash, Minister for Jobs and Innovation, and Senator the Hon. Zed Seselja, Assistant Minister for Science, Jobs and Innovation, along with officer from the Department of Jobs and Small Business (the Department) and several agencies responsible for administering jobs and small business policy, including:

- Australian Building and Construction Commission; and
- Office of the Fair Work Ombudsman.

Department of Jobs and Small Business

Cross Portfolio

2.3 Inquiries were made into the seven new funding measures announced for the Department since the 2017-18 Budget. Ms Kerri Hartland, Secretary of the Department of Jobs and Small Business, noted that six measures were included in the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) and one additional measure had been announced since MYEFO.¹ When questioned on what those measure were, Ms Hartland answered:

...one of those was a spending measure, five were savings measure, and one had a nil financial impact. There were savings to meet the Commonwealth redress scheme for survivors of institutional child sexual abuse, where there was additional funding of \$4.8 million with total savings over the forward estimates for Jobs and Small Business. There was a second one around encouraging self-sufficiency for newly arrived migrants; that was a \$3.4 million total saving over the forward estimates. There was the Fair Entitlements Guarantee scheme, which addressed corporate misuse, and that had a nil financial impact. There was the Seasonal Worker Program to improve take-up and streamlining of administration, which was a \$0.1 million total saving over the forward estimates. There was Strengthening the Integrity of Welfare Payments, which was around unlegislated components that weren't proceeding—there was a \$5.8 million total saving. There was Stronger Transitions, the transition of retrenched workers into future jobs, which is \$10.3 million in total expenses over the forward estimates. The one that I mentioned was outside the MYEFO

1 *Committee Hansard*, 28 February 2018, p. 22.

process was the digital employment services pilot, which had a nil financial impact over the forward estimates period.²

2.4 There were further inquiries into the Federal Court decision that All Trades, a large Queensland employer of apprentices, had underpaid workers.³ In particular, an update was sought on whether a Federal Government funding package would be forthcoming to assist in meeting the underpayment of Queensland apprentices and trainees.⁴ Ms Parker stated that 'the offer from Minister Cash is to work together to investigate solutions'. The Department noted that no money had been repaid to the apprentices as of yet, but discussions were ongoing with affected parties, state officials and unions.

Outcome 1

2.5 The committee sought an update on the jobactive program. Mr Greg Manning, Group Manager of the Youth and Programmes Group, said that 100 000 job placements had been supported through the wage subsidy.⁵ When further breaking down this figure, Ms Dany Turner, Acting Branch Manager of the Youth and Programmes Group, noted:

For Restart, which is the mature age wage subsidy, we had 22,238. For the long-term unemployed and the Indigenous, we had 28,944. For parents, we had 7,289. The youth wage subsidy is broken down between a youth subsidy and a youth bonus, so I'll give you the total youth, which was 34,912. As at 31 December, we had 93,383 agreements in place, and this morning's event was marking the 100,000th.⁶

2.6 Questions were asked regarding the use of quality control and quality assurance for jobactive courses in the aged care sector. Mr Manning responded that the Department does not 'have a role in relation to the quality of training'.⁷

2.7 The committee further raised the issue of the death of a worker on a Work for the Dole site and inquired as to when the Department of Jobs and Small Business report into this death will be released.⁸ Mr Martin Hehir, Deputy Secretary, noted that as the case is still before the courts in Queensland, the department would not release the report until the matter is decided.⁹

2.8 The rollout of the Stronger Transitions package was also discussed during the hearings. In particular questions were asked about the anticipated number of people

2 *Committee Hansard*, 28 February 2018, p. 22.

3 *Committee Hansard*, 28 February 2018, p. 35.

4 *Committee Hansard*, 28 February 2018, p. 37.

5 *Committee Hansard*, 28 February 2018, p. 42.

6 *Committee Hansard*, 28 February 2018, p. 42.

7 *Committee Hansard*, 28 February 2018, p. 58.

8 *Committee Hansard*, 28 February 2018, p. 44.

9 *Committee Hansard*, 28 February 2018, p. 44.

who will be part of the program and the areas covered by the package. Mr Malcolm Greening, Branch Manager of the Labour Market Strategy Group noted that approximately 2000 people will be supported and the program will be carried out in Adelaide, Mandurah, northern and north-west Tasmania and north-west Melbourne.¹⁰

Outcome 2

2.9 The committee inquired into the Seasonal Worker Program. In particular, information was sought on the growth of the program since its inception, the breakdown of seasonal worker numbers by country and whether these seasonal workers are employed in urban or rural areas.¹¹ Ms Parker noted that between 2012-13 and 2016-17 the number of seasonal worker grants had increased from 1473 to 6166.¹²

2.10 The death of several workers employed under the Seasonal Worker Program was further discussed. The Department stated that since 2009 there have been fourteen deaths of people involved in the program.¹³ Of these, five were involved in roadside accidents. Ms Parker noted that six deaths were due to pre-existing medical conditions and noted that:

...we have data that shows that fifty per cent of them [individuals from Seasonal Worker Program countries] have diabetes or cardiovascular issues. It's a systematic health issue. It's a balance between wanting to help countries grow and have opportunities here and, but at the same time knowing they're not as robust, often, as Australian workers.¹⁴

Australian Building and Construction Commission

2.11 The committee opened proceedings by acknowledging the work of Ms Cathy Cato, for her contribution as Acting Commissioner, and welcomed Mr Stephen McBurney to the role as Commissioner.¹⁵

2.12 The committee inquired into the budget and personnel numbers of the Australian Building and Construction Commission (ABCC) as well as the number of inspectors who carry out functions under the *Building and Construction Industry (Improving Productivity) Act 2016* (the Act). Mr McBurney noted that there were currently 84 inspectors, 54 of which investigate contraventions of the Act and 30 who have a function under the Building Code.¹⁶

2.13 Committee members made further inquiries into the Mr McBurney's priorities as the new ABCC Commissioner. Mr McBurney noted his personal priorities were discharging functions as required under the Act, acting in an apolitical manner. He

10 *Committee Hansard*, 28 February 2018, p. 63.

11 *Committee Hansard*, 28 February 2018, pp. 65–67.

12 *Committee Hansard*, 28 February 2018, p. 65.

13 *Committee Hansard*, 28 February 2018, p. 67.

14 *Committee Hansard*, 28 February 2018, p. 67.

15 *Committee Hansard*, 28 February 2018, p. 70.

16 *Committee Hansard*, 28 February 2018, p. 73.

also stated that he expected his staff to act impartially and professionally in all functions of their daily duties including their investigations and prosecutions.¹⁷

2.14 Committee members inquired into the ABCC's distribution of incorrect material surrounding the right of entry laws and whether a review was conducted on this matter.¹⁸ Mr McBurney noted that he 'sought assurances from [his] staff that the inaccurate material that was on the website from 1 January 2014 to 28 July 2016 has been rectified'.¹⁹ Mr McBurney further stated that the 'matter of the inaccurate material being on the website has been dealt with by the court'.²⁰

2.15 Committee members further questioned senior executive staff from the ABCC regarding their knowledge of incorrect information published and distributed on leaflets in regards to right of entry provisions.²¹ Mr McBurney noted that the ABCC was made aware of these errors in July 2016 when the CFMEU wrote to the ABCC 'to alert them to the problem in the right of entry poster, right of entry pocket guide and right of entry fact sheet'.²² Upon receiving this email, 'Mr Hadgkiss issued a direction to all staff of the agency that, with immediate effect, staff were no longer to distribute the right of entry material, and advised that the right of entry material [be] removed from the website'.²³

2.16 Information was sought regarding the differences between the 2013 Building Code and the 2016 Building Code particularly in regards to freedom of association. Ms Cathy Cato, Deputy Commissioner Operations and Code, stated that under the 2016 Building Codes there were 'more stringent requirements'.²⁴ Ms Cato referred to section 13(1)(j) of the *Code for the Tendering and Performance of Building Work 2016* which states:

...the code covered entity must ensure that:...(j) building association logos, mottos or indicia are not applied to clothing, property or equipment supplied by, or which provision is made for by, the employer or any other conduct which implies that membership of a building association is anything other than an individual choice for each employee;²⁵

Office of the Fair Work Ombudsman

2.17 Information was sought regarding the release of a report titled *An inquiry into the procurement of cleaners in Tasmanian supermarkets* released on 14 February

17 *Committee Hansard*, 28 February 2018, p. 78.

18 *Committee Hansard*, 28 February 2018, p. 81.

19 *Committee Hansard*, 28 February 2018, p. 81.

20 *Committee Hansard*, 28 February 2018, p. 81.

21 *Committee Hansard*, 28 February 2018, pp. 82–94; 97–104.

22 *Committee Hansard*, 28 February 2018, p. 93.

23 *Committee Hansard*, 28 February 2018, p. 93.

24 *Committee Hansard*, 28 February 2018, p. 110.

25 *Committee Hansard*, 28 February 2018, p. 110.

2018. Ms Natalie James, the Fair Work Ombudsman, noted the investigation was initiated after the agency received intelligence relating to stories of 'very serious' exploitation in some Tasmanian supermarkets.²⁶

2.18 In relation to the exploitation of Tasmania supermarket workers, questions were also raised surrounding the steps taken by the Office of the Fair Work Ombudsman (FWO) to recover the underpayments for the effected workers. Mr Michael Campbell, Deputy Fair Work Ombudsman, noted that the FWO 'identified underpayments and sought to recover the underpayments of \$64 000 for a number of workers'.²⁷

2.19 Mr Campbell further noted that 'the investigations...were complicated by the fact that the contractors did not keep records of the hours the employees worked nor what the employees were paid, which makes it hard to further recover monies owed'.²⁸

26 *Committee Hansard*, 28 February 2018, p. 127.

27 *Committee Hansard*, 28 February 2018, p. 129.

28 *Committee Hansard*, 28 February 2018, p. 129.

