[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

Division 21: Registrar, Western Australian Industrial Relations Commission, \$10 969 000 -

Mrs D.J. Guise, Chairman.

Mr J.C. Kobelke, Minister for Consumer and Employment Protection.

Mr J. Spurling, Chief Executive Officer.

Mrs S. Godfrey, Acting Director, Corporate Services. **The CHAIRMAN**: Good of you to join us, minister.

Mr J.C. KOBELKE: It is my pleasure.

The CHAIRMAN: I understand that the minister took an extended morning tea.

Mr J.C. KOBELKE: My apologies.

Mr T.R. BUSWELL: I refer to the major initiatives for 2005-06 on page 352, which once again talk about the old chestnut of award updates. The minister earlier indicated that certain employer groups and unions were being paid to undertake award updates. This is the third or fourth year in which the award updating process has been shown under the budget of the Industrial Relations Commission. The minister illustrated earlier that the commission, employers and unions were undertaking the process separately but were heading in the same direction. When did the project start at the commission? What number of full-time equivalent staff, including any consultants, has been involved in the project over those years, and what has been the total cost of the project to date from the commission's point of view? I would also like information on the total number of state awards, the number of awards that have been reviewed as part of this project and the number of awards in which modernisations have been finalised. By my reckoning, it has been a three or four-year project thus far.

Mr J.C. KOBELKE: The Registrar comes within the Western Australian Industrial Relations Commission. There is a strange relationship between the commission, which is a semijudicial body, and the Registrar, which services the commission. The commission itself hears matters, deliberates on them and provides determinations. That is a key part of the process. In servicing the commission, the Registrar has provided between one and two staff to undertake preparatory work for this project over the past two years. Those staff have gone through the various awards to highlight or point out matters that are out of date or simply need to be put before the commission. That work, of itself, does not determine outcomes; that is a process of the commission. I have just been informed by the Registrar that two internal staff were transferred from other duties to that preparatory work for a considerable time. This is not a matter in which the outcome comes from the Registrar; a process of the commission will lead to the determination of variations to awards.

Mr T.R. BUSWELL: How many awards have gone from this internal process of the Registrar to the commission for final determination?

Mr J.C. KOBELKE: I need to clarify my answer further. The role of the Registrar is to provide support to the commission; the Registrar does not have a say in the outcome. It is not like other government agencies, because of the semijudicial nature of the commission. There are two separate divisions. One division, which is allocated more than half the budget, relates to the commission. I cannot direct the commissioners; they are quite independent. They have a semijudicial role. They play the key role in determining the award updates and hearing representations from the parties, being the Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy of Western Australia, recognised groups and registered unions. That is the award updating work that has been undertaken. The Registrar is here today to answer questions relating to the support the Registrar provides to the commission. As I have indicated, between one and two staff members have done background work over a considerable period. If a commissioner asked for details of all the awards that included superannuation provisions, that information would be provided. That is the background detail for the process. It is not a simple question of the Registrar, who is sitting beside me, being able to determine outcomes. His role is to support the commissioners in the work that they do.

Mr T.R. BUSWELL: The major initiatives for 2005-06 on page 352 state that resources will be deployed to the commission's project of reviewing, improving and consolidating all the commission's awards. Hundreds of thousands of dollars have been paid to trade unions in WA, and possibly to employer groups - the minister did not provide that information to us earlier - as part of that process. Out of the mass of this process, the cost of which must have run into millions of dollars, have any awards been reviewed, modernised or updated? Have any awards come through the processes of the commission and been finalised over the past four years?

Mr J.C. KOBELKE: The member's suggestion that this project has cost millions of dollars might be correct if we were to take into account the costs of all the parties, but it is not correct when talking about the cost to

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

government. The only additional funding is the money that I alluded to earlier, which amounts to a few hundred thousand dollars. The commission is clearly using its resources. It is not additional money.

Mr T.R. BUSWELL: It is still part of the project cost, with due respect.

Mr J.C. KOBELKE: Yes, but the suggestion that it is costing millions of dollars would be correct only if that amount included the money and resources that are being put into the project by the CCI and unions. I am happy to provide by way of supplementary information details of the awards for which the updating process has been completed.

Mr T.R. BUSWELL: There are some?

Mr J.C. KOBELKE: Yes.

[Supplementary Information No B21.]

Mr G.A. WOODHAMS: I refer to service 1, support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court, on page 351. Under the key efficiency indicators, the average cost per application registered and recorded was budgeted at \$1 196 in 2004-05, and the estimated actual amount was \$1 451. That is an increase of more than 20 per cent. Can the minister explain the blow-out? It is a quite substantial increase.

[11.10 pm]

Mr J.C. KOBELKE: I will ask the registrar to assist with that.

Mr J. Spurling: The figure in the 2004-05 budget of \$1 196 was the actual cost, if one divides the number of applications received over that time by the relevant costs involved. The next figure is an estimate based on receiving an increased number of applications. Therefore, if we do the same subdivision, we get a higher number. What we are finding is that, for this current financial year, the number of applications has fallen away quite a lot and, as a consequence, we get a bigger number.

Mr J.C. KOBELKE: The number of applications covers a range of issues: unfair dismissals, of which there are different categories, and award issues, of which there might be a small number. It includes all the activities that require registration, and there is a list of different aspects there.

Mr G.A. WOODHAMS: There is an expectation that that trend to which the registrar referred will continue in 2005-06, and that is reflected in that figure of \$1 420.

Mr J. Spurling: That is correct, based on that presumption of reducing numbers of applications compared with earlier years.

Mr J.C. KOBELKE: To give an example, although many of them are in the federal arena, within the public sector there were more than 300 different enterprise bargaining agreements covering public sector employment, and we have got that down to fewer than 80. Therefore, there are fewer applications in that area, although many of those are federal and do not necessarily make a big impact on these figures.

Mr T.G. STEPHENS: I refer to the third dot point of significant issues and trends on page 349. Will the minister comment on any improvement in the time taken from the application date to hearing in the commission? The *Budget Statements* indicate that the industrial magistrate's clerk is now involved in pretrial conferences for the magistrate, and this has resulted in faster settlement of most claims.

Mr J.C. KOBELKE: Well over half the applications that are made are unfair dismissals. The changes that we made to the 2002 legislation were to create greater fairness as well as efficiency. While the opposition claimed that giving workers a fairer opportunity to lodge an unfair dismissal application would mean there would be a lot more of them, there has been about a one-third reduction in the number of applications.

In addition, the work that took place on the structure of the commission, for example, by using deputy registrars, was supported by the legislative change, and that meant there actually was a considerable reduction in the time delay in having cases heard. The number of cases that took 90 days before they were heard was well over 30 per cent and it is now down to 20 per cent. It is a dramatic drop-off in the number of cases that took some time before they were heard.

The commission is certainly providing a very efficient service that is in part due to a reduction in the number of unfair dismissal claims as a result of the changes made. In addition to that, the administrative efficiency in some of the things the commission has been able to do has resulted in a reduction in the delays for cases waiting to be heard.

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

Mr M.P. MURRAY: I refer to major initiatives on page 352. Is it true that many awards are used only as a safety net for minimum conditions and that some industries have enterprise agreements that are complementary but reflect better terms and conditions under our industrial relations system?

Mr J.C. KOBELKE: I will answer the question broadly and then the member might want to come back to a more specific aspect of it. As the member is well aware, the changes that took place in the early 1990s allowed for trade-offs in and freeing up of the use of enterprise bargaining agreements. It meant that many people moved away from relying on the award to being covered by an EBA. As the member indicated in his question, the awards still are an important safety net. It is very difficult to get specific figures, but even though there has been a reduction in the number of employees whose wages are determined directly by awards, a substantial number of the work force rely on those awards as a safety net. The inclusion of the EBA means it must meet the no-disadvantage test, so it does not undercut the awards. The awards are a very important safety net for two groups; that is, for those people paid on the award and those people who have an EBA, which may pay them above the award but offer greater flexibility in trade-offs.

The issue of the commonwealth government not upholding the no-disadvantage test in its own legislation is a major concern to me and, I am sure, to the member. It is something that I have taken up with successive federal ministers, without any reasonable response. The no-disadvantage test under commonwealth law applies to both EBAs and Australian workplace agreements. There have been cases in which an attempt to register an EBA has given a determination on what is the proper process for the no-disadvantage test. We are well aware that the Employment Advocate simply shuns that advice and refuses to uphold those standards. Therefore, we have a federal government that is not upholding the rule of its law. It is quite despicable, but that is what the Howard government is doing in seeking to undercut minimum standards and lower wages. It is something we are totally opposed to.

Mr A.J. SIMPSON: I refer to the last dot point of major initiatives for 2005-06 on page 352, which refers to the planning for the relocation of the commission to alternative premises in the central business district within the next three years. Why are we moving the commission?

Mr J.C. KOBELKE: The registrar might be able to give more detail. Basically, the lease expires. There is then the issue of determining what are the most cost-effective premises for the commission. The premises required for the commission are quite expensive. With a public sector agency, we do not take into account that we need courts and security. These premises must be purpose designed. We cannot move a commission that requires courts and hearing rooms to normal office space. The issue then is whether the lease should be renewed at a fairly expensive rate or whether there is another location that would meet the needs at either the same or a better standard. There are issues about the standard of the building in which the commission is located, and we could do better. We are also very conscious of the costs. The registrar might like to make a further comment. He says he is happy with my answer.

Mr A.J. SIMPSON: With the current changes in the wind to industrial relations, will bigger premises not be required?

[11.20 am]

Mr J.C. KOBELKE: If the federal government has its way, we would not need the same space. As I have already indicated, well over half the matters that come before the commission are unfair dismissals. If the commonwealth laws remove the right to bring unfair dismissal applications from 80 to 90 per cent of employees, we will have a lot fewer unfair dismissal and other cases in the state jurisdiction. We may find there will be less demand on the role of the commission. Similarly, we do not know what the commonwealth will do. The Australian Industrial Relations Commission and the Western Australian Industrial Relations Commission are currently co-located. There is a single office front for people to make applications. That has been put in place just in the past few years. It is clearly of benefit to employers and employees if they can go to one counter in one building and be introduced to the appropriate officer and appropriate process, whether it be state or federal. That co-location and cooperation between the commonwealth and state industrial relations systems have been beneficial.

Another issue is the appointment of commissioners to act in a dual role as both federal and state industrial relations commissioners. Now that the former chief commissioner, who was appointed to act in that dual role, has retired, there is only one dual commissioner. We will need to rethink that issue and factor it into the issue of premises, because it may mean that we will need less space. However, it may also mean that the commonwealth will need more space. We will be looking primarily at the interests of the Western Australian Industrial Relations Commission. We want to work cooperatively with the commonwealth in terms of the interface with the public and the delivery of a service so that people are not simply referred to another office in other building,

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

which is not the best level of service. However, that will be secondary to meeting the needs of the Western Australian legislation and the Western Australian commission.

Mr T.R. BUSWELL: I refer to the creation of the Occupational Safety and Health Tribunal. I understand that the most recent appointment to the commission, Ms Stephanie Mayman, was appointed to replace the retiring chief commissioner. The minister alluded earlier to the fact that the workloads in the commission have declined, which has pushed up the average servicing costs etc. Before Ms Mayman was appointed to replace the retiring chief commissioner, was any assessment made of workloads to see whether there was sufficient capacity for Ms Mayman to be absorbed within the existing number of commissioners less, of course, the one who was retiring?

Mr J.C. KOBELKE: I must disagree with a statement contained in the question. Commissioner Stephanie Mayman was not appointed to replace the chief commissioner. We looked at the number of commissioners that is required. The informal discussions I had with the registrar about the figures and the waiting lists, and the discussions I had with people in the community generally, indicated that it was necessary to maintain the number of commissioners. The appointment of Ms Mayman was not a replacement. The number of commissioners has varied over the years. It has generally been on the decline. About 10 years ago there were more commissioners than there are now. It is always a difficult issue. We do not want to appoint commissioners and find there is not enough work for them to do. On the other hand, we do not want people to have to wait an inordinate length of time to get a hearing in the commission. As I said in answer to a previous question, the length of time for which people have had to wait has come down. That is good. However, there are still times when people have to wait more than 90 days. It is a matter of judgment as to whether that is acceptable. I was certainly given an assurance that if there was an urgent issue, such as an industrial dispute that needed immediate attention from the commission, a hearing could be arranged within hours. That is obviously a key issue. It was my judgment that we should appoint another commissioner, and that took place. There was also the issue of whether there was sufficient expertise within the current commission, as required under the act, for a person to be appointed to the Occupational Safety and Health Tribunal. Commissioner Stephanie Mayman certainly is capable of that. Her CV lists a long history of commitment to WorkSafe and safety and health issues. Her appointment will ensure that the commission has a person who is capable of dealing with those issues. I am not saying the other commissioners could not have met the necessary legislative requirements - there may have been one or two others - but they certainly do not have the experience and pre-eminence in safety and health that Commissioner Mayman has.

Mr T.R. BUSWELL: Prior to the appointment of Ms Mayman to that position, did the minister receive any notification from any of the commissioners that they felt they had the expertise to fill that position?

Mr J.C. KOBELKE: Not to me personally. It does not normally work that way, because the commissioners very much guard their independence from government. There is not a regular stream of information between the commissioners and me. I have met the commissioners for morning tea on two or three occasions, but that has really taken the form of a general discussion about issues within the commission rather than the specific issue of appointments.

Mr T.R. BUSWELL: So there was no correspondence from any of the commissioners to the minister indicating that they felt they had the necessary expertise or an interest in taking on that position?

Mr J.C. KOBELKE: I certainly cannot recall any correspondence directly to me from any of the commissioners on that matter.

Mr T.R. BUSWELL: Can the minister confirm that since the appointment of Ms Mayman, which I think was on 4 April, she has heard three cases, and that in the preceding two years, under the old legislation, approximately five cases were referred to the Magistrates Court? In other words, the use of the tribunal, as opposed to the use of the Magistrates Court, as was the case under the preceding legislation, seems even in these early days to be much higher.

Mr J.C. KOBELKE: I have some familiarity with statistics. I do not think the member can make such an assumption based on such small numbers. It was always my expectation - the member will find that in *Hansard* - that there would be about half a dozen cases a year. That was a key factor in determining that the tribunal should be placed within the commission. Another reason is that we do not set up a new organisation simply to deal with half a dozen cases a year. It therefore seemed that it would be more effective, as well as more appropriate, that the Occupational Safety and Health Tribunal be established with a commissioner from the WA Industrial Relations Commission, because that would enable the commissioner to fulfil his or her duties as an industrial relations commissioner and also be called upon from time to time, as required, to create the Occupational Safety and Health Tribunal. The member is basing his point on two or three cases. I understand that two cases have been heard or are in the process of being heard. There is a third case, but I am not sure what stage it has reached. That small number of cases is in keeping with my expectation of half a dozen cases a year.

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

When we set up a new organisation within government that is of a semi-judicial nature, it is always the expectation that people will seek to use it to see where the boundaries are and how it works. It would not surprise me if there were half a dozen cases in the first six months. However, we cannot assume from that that the number of cases will be double what we have predicted, because the number of cases may trail off when people see how things work, or the establishment of a precedent as a result of a judgment by the tribunal may condition how people in the workplace operate.

Mr T.R. BUSWELL: I only did statistics 101, but would the minister accept that three cases in two months - which I agree is a small sample - would lend weight to the argument that the new structure means that the occupational safety and health legislation is being misused for industrial purposes?

Mr J.C. KOBELKE: I have done statistics 201.

Mr T.R. BUSWELL: I failed that!

Mr J.C. KOBELKE: I do not think we can draw any conclusion at all. As I said earlier, when a new tribunal is set up, people look to see what it can deliver for them and what the likely outcomes will be. When precedents are set by determinations in particular cases, people in the workplace become aware of that and take actions that they believe are in their best interests based on those precedents. That may mean that people will not bring further cases of the same nature; or it may mean, if people believe the decision was a poor one, that they seek to test it out in further cases. What happens in the first 12 months of a new tribunal or judicial organisation cannot in any way be taken to indicate what will happen in the future. A good example is the major changes that we have made to the dispute resolution procedures under the workers' compensation legislation. We are expecting, and are prepared for, a large number of cases in the early days while people seek to establish the ground rules and the likely outcomes. After that, it is my expectation - this is also in *Hansard* - that the number of disputes will then gradually fall away, because the rules will have been established and people will know how they should play the game.

[11.30 am]

Mr G.A. WOODHAMS: I refer to the category of employee benefits expenses under the heading "Income Statement (Controlled)" on page 354, which I will refer to as wages. The minister can read the wages for himself and I will move across to the 2004-05 estimated actual figure which indicates a rise of roughly half a million dollars. However, in that same period, fewer full-time equivalents were employed. The number of staff goes down but the cost of wages goes up. It appears that there has been an increase in wages for full-time equivalents of between \$10 000 and \$11 000. On that basis, I ask the following questions: have jobs within the commission been reclassified? If so, will the minister detail those new classifications?

The CHAIRMAN: Let us deal with one question at a time and I will come back to the member.

Mr J.C. KOBELKE: I will try to explain the component parts. Firstly, the figure for 2004-05 picks up the extra pay period, which occurs across all agencies. In the current year, as already stated, there was the retirement of the chief commissioner and outstanding leave was paid on his retirement. The retirement of the president of the commission is also anticipated. His term is due to expire during the coming financial year owing to his age. He also has a fair deal of outstanding leave that he has not taken up. Those payments, therefore, are the reason for the increase. The increase is not due to changes in the staff of the registry but staff in the commission. The first part is the extra pay across the whole system, but the substantial extra amounts in 2004-05 and 2005-06 relate to the retirement of two senior officers.

The CHAIRMAN: Does the member have a further question?

Mr G.A. WOODHAMS: Therefore, no jobs have been reclassified.

Mr J.C. KOBELKE: Not significantly. There may have been one or two, but none that would have a major impact on the wages bill. The reason for the doubt is that we are not sure whether there were jobs reclassified last year or this year; however, it is only a small number.

Mr G.A. WOODHAMS: If jobs had been reclassified, were the positions advertised in accordance with government guidelines?

Mr J.C. KOBELKE: I would certainly expect so.

Mr M.P. MURRAY: The minister referred to this matter before but a bit more detail would certainly help me. I refer to the second dot point on page 349, which reads -

Deputy Registrars are now involved in conciliation work for claims alleging unfair dismissal and this has resulted in a significant reduction in the number of days taken to have a matter listed.

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

Will the minister elaborate on the effectiveness of the Western Australian Industrial Relations Commission's unfair dismissal jurisdiction?

Mr J.C. KOBELKE: Two deputy registrars with legal qualifications were appointed to take on the role of settling these matters before they went before a commissioner. The commissioners continued to have oversight of the matters; however, they have worked really well in speeding up the whole process. People with a claim with little merit or, perhaps, a vexatious claim are informed fairly readily that proceeding may not advance their interests. However, that is an internal process, as the commissioners themselves continue to have legal responsibility for the claims. The registrar will perhaps make a few comments to clarify how the process works.

Mr J. Spurling: The Labor Relations Reform Act 2002 gave authority to deputy registrars to take on this mediation facilitation or conciliation role. We took advantage of that provision and used the existing three or four deputy registrars to do that. We also hired two additional deputy registrars just for the project to see whether we could make it a success, and that is the way it has happened since.

The CHAIRMAN: The member for Vasse has a question, and that may well be the end of this division, but I will ask again after the member has asked the question.

Mr T.R. BUSWELL: I refer the minister to the output performance measures that do not appear in the budget papers. I am very interested to understand why, except for this year, a quantity measure was provided for the number of unfair dismissals and/or contractual benefit applications, the number of employer-employee applications and all other applications. Targets were set in the 2004-05 budget of 1 800, 500 and 1 800 respectively for each of those three categories. Firstly, why do these figures no longer appear in the budget? Secondly, what were the actual numbers for unfair dismissals, EEAs and all other applications in 2004-05?

The CHAIRMAN: What page is the member referring to?

Mr T.R. BUSWELL: It is an item that has been deleted from last year's budget. It essentially relates to output performance measures for services to support the Western Australian Industrial Relations Commission and the Industrial Magistrates Court.

The CHAIRMAN: That will do.

Mr J.C. KOBELKE: The change of format was negotiated across government with Treasury. The member may find that the way of doing that is different from the previous year across all the various divisions. In turn, the Auditor General is consulted by agencies about the appropriate form for those key indicators. In a large agency such as the Department of Consumer and Employment Protection, which we have just dealt with, the key indicators are bundled up instead of separate. There are advantages and disadvantages in that, but we are happy to go into detail if the member requires further detail. That is the answer to the question about structural change in the presentation of key indicators, but I am able to give the figure for unfair dismissals. In 2003-04 it was 1 468. We budgeted for 1 800 in 2004-05, but it is estimated that it is likely to be 1 500. It is anticipated by our indicator of resources that it could be 1 600 in 2005-06. Of course, if the federal legislation goes through, it will be drastically different from that figure. For EEAs in 2003-04 it was 310. In the current year we thought it might increase to 500, but the estimate is that it is likely to be 370. We are, therefore, looking at a target of 400 in 2005-06. All other applications were 1 486 in 2003-04. We budgeted in 2004-05 for 1 800, but it is our estimate that by the end of this month it will be 1 650. We therefore targeted 1 600 in that "other" category for 2005-06.

[11.40 am]

Mr T.R. BUSWELL: Of the 370 EEA applications made in 2004-05, how many were registered?

Mr J.C. KOBELKE: My figures indicate that until roughly the middle of May, the number of EEAs registered was 146, compared with 210 in the previous year.

Mr T.R. BUSWELL: This is my final follow-up question. Given that the estimated number of EEAs registered in Western Australia in 2004-05 was approximately 150, which probably brings the sum total of EEAs registered since they were introduced to 350 or 400, and that 136 000 Australian workplace agreements have been registered in WA, does the minister agree with some of the observations made by Ford in his review that the EEA system does not appear to be working as efficiently as it should be, and that changes need to be made? If the minister agrees with that view, what changes need to be made?

Mr J.C. KOBELKE: Firstly, the take-up of EEAs is quite low - the figures in that regard are quite startling. What is the cause of that situation? We must look at the efficiency of the system, and I accept that the system could be more efficient. That would perhaps create a greater attraction for employers to want to use EEAs. Other major factors affect the take-up of EEAs. One factor is that no-one out there advocated EEAs and no money is directed to encourage people to take them up.

[ASSEMBLY - Thursday, 9 June 2005] p403b-409a

Chairman; Mr John Kobelke; Mr Troy Buswell; Mr Grant Woodhams; Mr Tom Stephens; Mr Mick Murray; Mr Tony Simpson

Mr T.R. BUSWELL: There was when they first came in, minister, of course.

Mr J.C. KOBELKE: No. The government has never sought to sell EEAs. The changes made to legislation clearly indicated that the government wanted to uphold the collective approach. EEAs were made available. We have never promoted EEAs. No money was spent advertising them or trying to encourage people to use them. On the other hand, the commonwealth government is spending millions of dollars to entice, if not force, people to use Australian workplace agreements. A range of policies seek to impose AWAs on people. One system has a high level of promotion, and even coercion, and the state EEA system provides an instrument of employment that is available, but which no-one is promoting. Similarly, the Chamber of Commerce and Industry of Western Australia, and other organisations that are funded by the federal government in this regard, are telling employers to use AWAs. Another reason driving the situation is that employer-employee agreements maintain minimum standards. People cannot be dropped below the award level when using an EEA. Australian Bureau of Statistics figures reflect that AWAs are increasingly used in low-paid jobs to undercut the award safety net, and there has been a big take-up by people who seek a business advantage over competitors by simply paying workers below the acceptable community standard. I do not think that is the future for Australia. We do not want a low-wage system in which we try to compete with China, in which case we would lose. We must ensure that we have high-quality jobs and that we pay people to come up to those standards. I tell the member for Vasse about what was left by the last Liberal government in Western Australia: some key employer groups approached this government saying that the race to the bottom and the undercutting of minimum standards was destroying industry. When wages are undercut, money is not directed to health and safety and training, which causes standards to spiral downwards. That is clearly happening under the Howard government as it seeks to undercut wages. ABS figures indicate that people will be paid less under one of the AWAs that was rolled out to undercut award minimums. There is an interest in pushing AWAs in those three key areas. This is detrimental to Western Australia, which has a highly productive and highly skilled work force. We do not want to go backwards, which AWAs threaten to do.

Mr T.R. BUSWELL: A lovely burst of rhetoric - I thank the minister.

The CHAIRMAN (Mrs D.J. Guise): Does the member have a further question?

Mr T.R. BUSWELL: Yes, I have. In closing, I assure the minister that I was in small business when EEAs were introduced, and I received brochures and information in the mail encouraging me to take them up, and I was also invited to attend seminars. I have received not one document from the federal government in relation to AWAs. That is just a point for the minister's information.

The CHAIRMAN: I did not hear a question there. **Mr T.R. BUSWELL**: I am sorry, Madam Chair.

The CHAIRMAN: The member will keep: I have a long memory and we have not finished yet.

Mr T.R. BUSWELL: But I have.

The appropriation was recommended.