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Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT AND
WORKPLACE RELATIONS

Reference: Employment: increasing participation in paid work

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT & WORKPLACE RELATIONS

Wednesday, 3 March 2004

Members: Mr Barresi (*Chair*), Mr Dutton, Ms Hall, Mr Hartsuyker, Mr Lloyd, Mr Brendan O'Connor, Ms Panopoulos, Mr Randall, Ms Vamvakinou and Mr Wilkie

Members in attendance: Mr Barresi, Ms Hall, Mr Hartsuyker, Mr Brendan O'Connor and Ms Vamvakinou

Terms of reference for the inquiry:

To inquire into and report on employment issues in both rural/regional and urban and outer suburban areas, with particular reference to:

- measures that can be implemented to increase the level of participation in paid work in Australia; and
- how a balance of assistance, incentives and obligations can increase participation, for income support recipients

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Committee met at 11.13 a.m.**ATLAS, Ms Ilana, Group Executive, People and Performance, Westpac Banking Corporation****MILLER, Mr Ross, Business Unit Consultant, People and Performance, Westpac Banking Corporation**

CHAIR—I declare open the public hearing of the inquiry into employment: increasing participation in paid work. I welcome Ms Ilana Atlas and Mr Ross Miller from Westpac Banking Corporation. Thank you for meeting with us today. The proceedings here today are formal proceedings of the parliament. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public, but if at any stage you should wish to give evidence in private please ask to do so and the committee will consider your request. Would you like to make some preliminary comments about the issues you think are important to this inquiry before we move to general discussion?

Ms Atlas—We would be delighted; thank you for the opportunity to address the committee. I am responsible for People and Performance at Westpac. In that role I am responsible for the recruitment and retention of people, and obviously I have a direct interest in the subject of your inquiry. Ross is responsible for People and Performance in our retail bank, and in that capacity he is responsible for the implementation of the policies that we have around recruitment and retention. He is very much focused on what you are talking about and thinking about in relation to the inquiry.

In my preliminary remarks I would like to focus very much from an employer's perspective on what Westpac is doing in relation to increasing participation rates amongst sectors that would not otherwise be regarded as normal areas for recruitment. As you will see from our submission, although Westpac has an interest in diversity in general and would be happy to answer any questions you have, more generally in various sectors we have focused on women, particularly women who work part time, and mature age workers. I would like to make a few comments about those two sectors.

First, it is important to say from an employer's perspective—certainly from Westpac's—that there is a very compelling business case to be made here. So this is not really about diversity per se or about corporate responsibility initiatives, although obviously it has a very direct impact on that; this is very much about business. There are three main drivers around that business case. The first relates to talent. For all the demographic trends, which I will not go into and which you would be more acutely aware of than many, we must look for talent. To sustain our business we have to find talent wherever it is, and to get a competitive edge for our business we are looking for talent where others may not be thinking as progressively as we are. That is one very significant driver for us.

The second driver is our customers. Our customers are looking to be served by people who relate to them, who understand them. That means that demographically we need to have

employees who reflect that customer base. We have done quite a lot of analysis of the age of our customer base, the demographic profile, and it is very clear to us that we need to, for example, have mature age workers who really understand the customers they are serving. The third driver is sustainability. It really is about asking, 'What is the future of our business in the medium to long term?' Again, for all the reasons that you understand clearly, we need to look at those sectors of the community for our talent. From a Westpac perspective, this is absolutely a must-do. We are currently focusing on how. The one theme that you will hear come out of my opening remarks, when I am talking about exactly what we are doing, is flexibility. We are finding that the people we are specifically trying to attract—and the focus here is on women who work part time and mature age workers—want flexibility.

I am very conscious that we are a large employer, so it is a little easier for us than small business and there are different dimensions relating to small business. For us, we really need to be as flexible as possible to be able to attract these pools of talent. I think you will hear some businesses talk to you from a short-term perspective about the costs associated with flexibility, with part-time work, with job sharing and with allowing people to work from home. But there is a short-termism in that approach. The research we have done within our organisation indicates, quite interestingly, that the presence of part-time workers directly correlates to customer satisfaction. If you think about it, that makes a lot of sense. The part-time mothers and the mature age workers who are working with us have mortgages, credit cards and insurance and they are much more capable of answering the queries that come from customers than perhaps our younger work force. So it does make a lot of sense, and it is quite interesting to us that the research we have done verifies that. I will speak briefly on the issues we have looked at in three main areas: recruitment, retention and the psychological factors that are associated with attracting talent, particularly part-time mothers and mature age workers, which I think are very significant.

The first is in relation to recruitment. We provide paid maternity, paternity and adoption leave. We have some very flexible arrangements for people returning to work. We allow people to job share and to work part time, as a number of other employers do. We have quite innovative child-care arrangements. We have an agreement with ABC Learning Group where we have agreed with them that they will put child-care facilities in areas where we nominate. We are currently conducting a child-care survey right through our organisation to be able to work with ABC Learning Group to actually put in place child-care facilities in a flexible way.

As far as mature age workers go, we have found that they are passive job seekers: mature age workers do not look in 'positions vacant' in daily newspapers. The way we have gone about addressing that—and you will see that we have publicly undertaken to recruit 900 mature age workers by 2005—is by having open days. For example, we had an open day at our Brisbane call centre in Cannon Hill. That is addressed to everybody and it encourages everyone to come to the call centre, see what it is like and see whether or not they would like to come and work there. We have particularly targeted that open day at mature age workers to try and encourage them to see what it would be like to work in that site.

One thing you will hear a lot of is that mature age workers' computer skills may not be good. Their competencies may not be as high as younger workers so we have endeavoured to deal with that by having certain recruitment procedures. We train our mature age workers in those computer skills to get them to that level of competency and then we put them through the usual

assessment processes. Once we have mature age workers working, we then give them one-to-one coaching in computer skills because what we have found is that we require people with different competencies to work in the various positions. Mature age workers, for example, have much higher skills in terms of empathy and customer service. Where they are lacking and where younger workers have stronger skills is in computers, so we are just accommodating that in terms of recruitment and also subsequent training.

As far as retention goes, again, it is all about flexibility but it is all about understanding that the flexibility that is required for different sectors is different. Mothers who are working need to be flexible but they need to leave, for example, at 3 o'clock in the afternoon. They need to be able to walk out of a branch at 3 o'clock so our rostering needs to accommodate that. Whereas, mature age workers are looking for career breaks and significant amounts of time out. We need to understand that and put that into our rostering and our various processes and make sure we accommodate it.

We have an internal service called 'Better life and work' which is available to everyone in Westpac. There is a phone number for an external service to assist with caring. Obviously 'caring' is not just about children; it is about caring for ageing and elderly parents. It is really about trying to give our people access to as many facilities as possible to assist them and, again, to give them more flexibility.

In terms of retention, you will hear a lot of stereotype talk about mature age workers not wanting to be developed—that is not what we have found. What we have found is that the classroom scenario is not suited to mature age workers. They left that 30 years ago and the concept of walking back into the classroom is not particularly appealing. Mature age workers absolutely do want to be developed, so it is a matter of working through what sort of development is appropriate and the way we can deliver it in the most appropriate manner.

I would like to make a few comments on the psychology of this because I think these aspects are easy to ignore but we have found they are incredibly important. Women mature age workers usually have been out of the work force for a long period of time and have significant self-esteem issues. That is very important to acknowledge when we are looking to recruit. It is something that we are trying to take into account—and obviously you would appreciate that it is quite difficult—in looking to bring mature age women into the work force. It is included in our recruitment practices and also in our development practices going forward.

Another significant issue is around loss of status. A lot of mature age workers have got to very senior roles in an organisation. That cannot last forever, so there needs to be expectation management amongst those mature age workers, and also within the organisation itself. How do you keep people in the work force but not in their current roles? We are looking at ways to handle that. How do you deal with that change of status? There are a number of approaches. One is to partner with other organisations. You can perhaps transfer people into other organisations where the change of status is not as evident. Another is an alumni program. So you deal with people by not expecting them to be with you forever. They might leave you and come back, but you retain an association with them going forward. So, for example, if they are looking at losing their job somewhere else they will think of you because they have worked with you in the past, they know you and you have kept in contact with them going forward.

Another issue we have had to deal with is managing multi-generational work forces. This is an acute issue because we have young people who are managing work forces that range in age from 20 up to 60. That is a significant management challenge. So we have put in place in all our leadership development courses programs to assist managers in doing that, and that has been very effective.

I would like to be clear about what from our perspective this is not. From our perspective this is not about discriminating against a younger work force; it is about having diversity. We believe, from a business perspective, that absolutely is the way we must run our organisation. This is not about taking every mature age worker who wants to come and work at Westpac. We obviously have standards in relation to recruitment, and they apply. It is about being clear about the issues that mature age workers face, and taking them into account both in recruitment and in retention policies. Finally, this is not about forcing people to work longer than they want to. It is about encouraging them to do that by being as flexible as possible. Obviously, the recent changes to the superannuation legislation make that a lot easier going forward.

From Westpac's perspective, we have not got this all right—we have made a lot of mistakes. But for us this is very iterative. Because we are doing it, we have a pretty good handle on what works and what does not work in quite a short time frame. So we are constantly working with our managers. This is very much business as usual for us but, as I said earlier, this is not discretionary. This is absolutely mandatory. As far as we are concerned, if we can do this better than anybody else, that gives us a competitive edge.

CHAIR—Mr Miller, do you want to make an opening comment?

Mr Miller—No; Ilana has covered the Westpac approach, but I am more than happy to answer any of the detailed questions around the implementation of our strategy across our retail bank.

CHAIR—Ilana, that is a very impressive story, as is the progress that Westpac has made. So congratulations to you for that. I know it does not come easy achieving that. I guess you have answered the imperative for doing it. You have stated the business case. How well do you believe it is understood out there in the business community that embarking on this type of strategy will enhance your business? You have coupled it with the demographics of your customer base. That may not be the case for other industries. Nevertheless, you have seen the business case as being a major driver. So I guess there are two questions there—can that be transferred to other industries and, secondly, have any results so far shown that the business case has been enhanced by this, from the organisation's performance point of view?

Ms Atlas—To answer the first question, Westpac, as you know, has implemented policies in relation to diversity over many years. So because we as an organisation have been doing it for a long time, we have understood the benefits of it over time. For example, we have over 30 per cent of women in senior management, which is quite unusual for organisations. So, from a Westpac perspective, in a sense the business case has been sold for quite some time.

What has become clear to us though, as a result of the demographic trends that we all understand, is that it is now urgent. We have lots of anecdotal evidence about how effective it is to reflect the demographics of your customer. We felt we needed to do some research on that point to prove it up, which is why we have now found that there is a link, for example, between

our part-time work force and high levels of satisfaction amongst our customers. As to whether or not it is exportable to other industries, the talent issue is an imperative for everybody. We are all going to be fighting for this shrinking pool of talent, so unless you can find talent where others have not, it is going to be increasingly difficult to sustain your organisation into the medium term. Frankly, as an organisation, we find that extremely compelling.

As far as customers are concerned, obviously we are a service industry and we are quite a complex service industry. With FSR—the financial services reform—and what we are requiring of our own employees, the standard and the skills and the ability to serve customers with quite a complex range of products just keep increasing. So, again, unless we can get the talent which understands the product—and it is pretty obvious who they are—we are not going to be able to serve our customers in the way they require.

CHAIR—Are the types of jobs the people are going into across the board, or is it very much front-line staff?

Mr Miller—The acquisition part of our program, particularly if we talk about mature age workers at this time, has been focused on what we would consider to be entry level roles within the organisation—so customer service representatives or tellers in our branches and particularly our contact centre roles, where we have done large recruitment drives and been able to support or accommodate changes in training and recruitment methodology to get a larger range of age diversity in the candidate pool.

We also have very specific programs around what we term job changers. They are more one-offs so we do not have necessarily a drive for job changes. We work closely with Hudson, who are our most significant recruitment partner, and we have been able to brief them to ensure that we have a range within our recruitment practices to accommodate age diversity now as well as gender diversity and a number of other things. If I could just go back to your last question as well which fits quite well with this question: since making this submission to the committee, we have worked very closely with Louise Rolland at Swinburne University who has helped us look at Westpac and have a different opinion.

CHAIR—I know Louise very well.

Mr Miller—One of the things we are already seeing early in the piece, particularly in these front-line roles, is significant improvements in retention when we are developing a history in age diversity and people joining us. Turnover rates in first year of service are significantly lower with mature workers, so we are starting to see very tangible benefits which we can then articulate as a commercial benefit to our people leaders. Thinking about the Westpac experience, another thing that we could share with other industries is the benefit of being able to clearly articulate the commercial benefit to hiring managers.

CHAIR—The reason I asked about what kinds of jobs they go into is that the FSR requirements for front-line staff mean they now have to achieve a certain certificate level. Does that impose a barrier for them, in terms of the fear of having to go through the certificate process?

Mr Miller—We have just gone live on our licence and it was one of the things that kept me awake for the last few months because it was a challenge to get effectively 14,000 people accredited to be able to talk to customers from two weeks ago. There is no evidence to suggest that mature age workers or any particular gender or population struggled with FSR more than others. A lot of people needed to do rework, and we accommodated that into our plans.

I suppose what FSR has done to us as an organisation is it has introduced a large amount of mandatory training. So, when it comes to flexible work practices, we need to be able to very clearly articulate to our hiring managers that if you have a larger headcount—so more part-time workers for your full-time equivalents—then your training costs and some of your labour costs will be higher because everyone has to go through the same mandatory training. It is important to understand it has had an impact on flexibility to some extent, but we are very careful in monitoring that so it is not seen as a discouragement for hiring managers around flexibility.

Ms VAMVAKINO—Your submission was very interesting to read, especially for some of us who have been listening to a lot of evidence. One of the things that have come forward constantly—and this is why your submission was most refreshing—is this emergence of ageism out there in the job market. People as young as 40 have told us anecdotally and in submissions that they do not get a guernsey when they apply for jobs because they are deemed to be old, which is very worrying. It is becoming an issue, and I am amazed that, here you are, a massive employer who has actually realised that this mature work force is vital to your own success. What do you say to those sorts of attitudes? I think it will tie in with the question that Phillip was alluding to as well. It seems that employers out there generally need to get a hold of things as you have.

Ms Atlas—We have to be honest about this. We are a large employer, so that does make it easier for us to get the resources required to make these things happen. Having said that, I think we are dealing with significant entrenched attitudes. What has been interesting is the speed with which this is coming upon us, because 10 years ago I think you would have found that attitudes were completely different.

CHAIR—Including the banks.

Ms Atlas—Yes, absolutely.

Mr Miller—We were retiring not hiring.

Ms Atlas—I think it is important to understand that this has really come upon us fast, so you are dealing with quite entrenched attitudes. There are a number of stakeholders here—employers, employees, government, the community in general—and we need to think about how we change those stereotypes. We think we are helping that by talking about our story whenever we get the opportunity, because in a sense we very much are believers in it. But I think this is something that all of us are going to have to be part of.

Mr Miller—I think the direct discrimination, if you like, against older workers does require that education piece that Ilana just described. What we found in our journey was that there is an indirect discrimination piece, which is something we did not realise was there. I will give you the simplest example. When we started a specific recruitment drive targeting a wider range of

ages—so not specifically targeting just older workers—we did not even realise that our recruitment partner Hudson only accepted resumes via the Internet. So there are still a number of indirect things that organisations need to quickly pick up and think, ‘There have to be different mediums into the way you can apply for a role within our organisation.’

Another part, as Ilana mentioned, is providing good pre-employment education around Westpac so people can opt in or opt out. There is an opportunity for a role for everyone at Westpac, but there is not necessarily a job for everyone at Westpac. There is a part about our employers taking the responsibility to be able to clearly articulate what would be required to work within the organisation. One of the many challenges we have, being quite public about this, is the overwhelming response we get to media, and it is also managing that response when it gets to us. After one board meeting, we had something like 800 inquiries, so it is being able to very clearly articulate what the expectation of working for Westpac would be.

Ms Atlas—I will use an example, because I think stories are really quite illuminating. We have a call centre at Joondalup in Western Australia. Frankly, one of the reasons we have a call centre there is because of the demographic of that area; it has a pool of people who are older, and we also have a lot of part-time workers from that area. One mature age person that we had did not have very good computer skills. You either persist, because you can see that there is a long-term benefit, or you give up. We now have enough experience organisationally to know that it is worth persisting. So this person was hired—brought into the organisation—and had to have one-to-one coaching to bring their computer skills up to a level where they could work in the role they had. That person is now the star of the call centre. That is the story. These real-life examples evidence the fact that we must persist and get this right, because there is a long-term advantage to the organisation. We have now had enough of these stories that we have confidence to make it happen. There is always a leap of faith required, and from an employer’s perspective I think we are going to have to encourage employers to take that leap.

Mr Miller—On that point, a responsibility of all employers is to be very clear on the skills currency that is required to work with that organisation going forward so that people do not find out at the point of recruitment but know well in advance.

Mr BRENDAN O’CONNOR—That answer was very informative, as was the submission. There is a perception in the community that banks have sacked many workers. There has been a contraction in the banking industry. Certainly front-line tellers have lost their jobs over a decade, and Westpac is no different from others in that regard. I suppose that technological changes have driven a lot of that. Is that just a perception or is it a reality? Has there been a net loss of employment at Westpac over the decade? If it is the case that there has been a contraction, are you drawing from a pool that has banking industry skills? I would have thought that, given the unfortunate downside of technological change in the banking industry, there would be a lot of people who are not employed but who would have skills, and that would therefore be an area that you would draw from—that is, older employees who have had a significant period in the bank industry before perhaps losing their job because of closures of bank shopfronts.

Ms Atlas—There has been a contraction in the number of people that work at Westpac, just as there has been right across the industry. You are right that a significant proportion of that contraction has been as a result of technological change. We have actually had a number of outsourcing arrangements that have meant people have left Westpac and joined other

organisations as a result. As far as what we are doing with hiring is concerned, we cannot say that any specific pool of people is being employed or re-employed by us under this initiative.

Mr BRENDAN O'CONNOR—You do not know the proportion?

Ms Atlas—No, I do not know. We could try and find that out for you.

Mr BRENDAN O'CONNOR—I thought there might have been a reservoir.

Mr Miller—It is actually a very broad industry mix that join us.

CHAIR—They are all going to Bendigo Bank, Brendan.

Mr HARTSUYKER—May I also compliment you on a very innovative approach to employment practices. You mentioned older jobseekers as being more passive jobseekers. Can you explain that a bit more?

Ms Atlas—I think that is because older jobseekers do not seem to be absolutely focused on looking for work, and there might be a number of reasons for that. So they do not turn to the positions vacant columns in newspapers. There could be a number of reasons for that. They might have been out of the work force for a significant period of time or they may not even have thought of the idea, of the whole notion of working part-time to supplement their savings. There is why we have had to think of other ways of doing it.

Mr HARTSUYKER—What is the average period of unemployment for the mature age workers you put on?

Ms Atlas—I do not know the answer to that.

Ms HALL—It would be worth while for the committee to get some information on that. I would be interested in that.

Ms Atlas—We can try to get that for you.

Mr HARTSUYKER—How are the mature age workers performing when they have had their training so that they are on a par with younger workers? Are they performing with more enthusiasm or what? What is Westpac's experience?

Ms Atlas—They are very enthusiastic. As Ross said, they stay with us. They are very productive.

CHAIR—You have done a survey. Is that right?

Ms Atlas—Yes.

CHAIR—Is the survey included in here?

Mr Miller—It is not in this package. I am not aware of whether it is in the documents we sent to you.

CHAIR—Can we see the results?

Mr Miller—We can provide you with that information.

CHAIR—Thank you.

Ms Atlas—So we are getting very good results from mature age workers.

Mr HARTSUYKER—You see a lot of people on the TV such as the 55-year-old former rocket scientist who now cannot get a job. Do you think that there is a problem amongst mature age workers that their expectations are too high, that they need to perhaps lower their sights at least initially to get back into full-time work and then progress to maybe a higher level? Is there an expectation gap that is a major driver there?

Ms Atlas—I think expectation management is a significant issue. At the end of the day, you are not going to be CEO for 30 years. I think there is an issue about how long one can stay in these senior levels and how we can manage the change of status, the change of role. So you are absolutely right, and I think expectation management on all sides is required.

Mr HARTSUYKER—What pitfalls have you found with mature age workers? Has there been any downside to this when you get mature age workers into the force?

Ms Atlas—One of the issues has been the one that Ross mentioned, which was that as soon as we advertised we were just avalanched with everybody who thought it might be a good idea. We have found that we have to be very clear—going to Ross's point—that we do not hire everybody. So this is not about looking at everybody who is over 45 years old and saying, 'We can offer you a job'; you absolutely need to satisfy Westpac's expectations. I suppose they have been two issues we have had to deal with. The other is just simply understanding what we need to change, what changes we need to make to training, what changes we need to make to skilling up.

Ms HALL—You have mentioned in passing some of the problems associated with hiring older workers. Would you detail a little more for us the barriers, both external and internal, and any programs that you have had in place to address the stereotyping, both perceived and real, of the individual and within the workplace—because it is quite a cultural change within the workplace—and how you have handled that?

Mr Miller—If we start with the recruitment piece about the barriers for mature age applicants, quite simply, as I have mentioned already, there is the medium in which we take applications and advertise. So as Ilana has said, we have moved to a broader way to attract mature age candidates. Then when screening candidates, we have had to accommodate changes in our screening process in looking at and understanding what experience is required to do some of the customer service roles within the organisation—so changing some of the benchmarks that we would normally look at at application stage so that people are not screened out. Then Westpac uses assessment centre methodologies, so all people who join us in customer-facing roles attend an assessment centre with Hudson partners. Once again we have had to provide changes to the assessment

centre, simply quite often just to educate people on what an assessment centre is, and also work with Hudson to change even the mix of people they had performing in the assessment centre. A lot of the people who did that work were younger workers—so change the range of people who were doing the assessments so that there was the right level of empathy and understanding on the day. We have done a lot of work on trying to remove some of the obvious barriers in recruitment. We change that on a daily basis and go back and review and work very closely with all of our business areas as to how they recruit so that we are not implementing barriers.

CHAIR—Perhaps I can interrupt there before you answer the rest of Jill’s question on recruitment; this relates to that. It seems to me though that your success in recruitment of mature age workers is because part of your strategy is to employ mature age workers. Yet we have heard from other witnesses that the recruitment world out there, the personnel world, does not do it well if it is part of the general recruitment that takes place. So the success really is because of its dedication to that particular cohort more than anything else.

Ms Atlas—Correct, yes.

Mr Miller—We can reinforce that. Recruitment firms traditionally use a database and, when we first looked at our partner’s database that related to Westpac, we saw that the majority of people who were potentially looking at employment with us were in an under-35 demographic. So we have worked very hard to increase the Westpac database to actually include a lot of mature age workers. So yes, I think we have worked very hard with our partners to encourage that, but I think they have learned a lot from us. We know for a fact that Hudson are adapting a lot of the Westpac methodology for their other customers, and so they should.

Ms HALL—I note that you have mentioned some things about stereotyping in the document here, but how are you actively getting around that and dealing with the aspect of the relationships between people within the workplace?

Ms Atlas—I think the way of dealing with stereotypes, because they certainly exist, is that if you know someone you actually then move beyond the stereotyping, so doing it has been one of the most powerful ways to deal with stereotypes. At Westpac now, a lot of people are working with mature age workers, so the stereotypes disappear. The other is very much around how we train our managers to deal with these work forces, and I have mentioned the multigenerational work force. We quite explicitly train managers to get around and avoid these stereotypes and ensure that essentially they get rid of them in their teams. But at the end of the day it is doing it that actually makes the big difference.

Ms HALL—Picking up on a term you used, ‘expectation management’, it seems to me that maybe the expectation of an older worker is very limited within the organisation. This was slightly touched on earlier by a question that one of the other members of the committee asked. Is it basically that you will hire older workers but that is it; they have no expectation whatsoever of moving up the ladder, even if they are excelling?

Ms Atlas—That is a very good point. I think we certainly do not have that expectation at all. I suppose from our perspective it is quite early days, so we are yet to see where that will lead us, but we have absolutely no preconceived ideas about where mature age workers will end up in the organisation. They will have the same development and possibilities as everybody else.

Ms HALL—Excellent.

Mr Miller—I think the work we will do in the future around the type of employment relationship we have will change that too. So we are talking very much today about direct employment in a Westpac branch or call centre. Perhaps employment through franchise or alumni, like Ilana mentioned, will give us many other opportunities from an expectation point of view.

Ms HALL—And of course Westpac should be congratulated on what they are doing. I think it is very innovative.

Ms Atlas—Thank you.

CHAIR—I am really interested in the training because we have heard evidence from Dr Peter Saunders from the Centre of Independent Studies based on OECD data that has come out that says training, in terms of value for money, does not give you the results particularly in the areas of bringing mature age workers in, with the exception of women returning to the work force. To some extent I guess your results are counter to that. Is that because of that learning methodology that you employ? I think you said what you are doing is pretty unique.

Ms Atlas—I could not comment on the data; I am interested in it.

CHAIR—It is based on 20 OECD nations.

Ms Atlas—Again I think our evidence is essentially anecdotal currently, but certainly that is not our experience.

CHAIR—Just explain to me that training methodology that you are employing.

Ms Atlas—Essentially, what we do when we bring people in is take a medium- to long-term view rather than a short-term view. If you took a short-term view, you would say the sort of one-to-one computer training, for example, that is required to bring someone up to speed in our contact centre is not worth it. But we have eliminated that because certainly the experience we now have indicates that these people become the best performers.

Mr Miller—I do not want to focus on these particular customer service roles, but they are a good example to use to be able to articulate clearly what Westpac is doing with training. If you break down the components of the role and you understand that, say, 50 per cent of it is customer service and life experience and, as Ilana said, dealing with customers, and then understand the other 50 per cent that is required from a technical point of view, you see that we can work with our learning and development area to find out what areas of training need to be extended or invested more in so that we can actually get a return. We may extend a training period, and our experience is that we are finding we are getting a very valuable return on that extension.

CHAIR—So essentially you have a training program that goes over a period of time rather than a consolidated two, three or four days. But is it still very much classroom based training?

Mr Miller—Most induction training is a mix of both on-the-job and classroom based training. But to be very specific, a customer service representative working in a branch would normally receive a two-week classroom induction program and then a two-week, on-the-job induction program. In the case of some mature age workers in some trials, we have provided pre-employment computer skills training and then extended the two-week program to a three-week program with, as Ilana said, one-on-one coaching based on the needs of the individual.

CHAIR—On page 7 of your submission you mention that governments play a vital role in terms of welfare arrangements, tax, superannuation and workplace relations policies—a sweeping statement. How can I disagree with that! Can you be more specific, and what is your reaction to the Treasurer's announcement last week?

Ms Atlas—Our reaction, as I said earlier, was very positive. One of the issues we have—

CHAIR—Was that because he mentioned the banks in his speech?

Ms Atlas—No comment. I think one of the issues we have confronted is this whole flexibility issue. A lot has been said about it, but when people are older they do not want to work full time, yet they do not want to have earned their last cent of income. So it has been useful for us to give us the opportunity to encourage people to work part time and earn an income stream that is not a full-time income stream. So certainly the flexibility that it gives is very useful.

Mr BRENDAN O'CONNOR—Not to work till they drop though.

Ms Atlas—I said that earlier.

Mr BRENDAN O'CONNOR—I did not hear it; I am sorry.

Ms Atlas—That is all right. I said that this is not about forcing people to work; it is about giving them choice.

CHAIR—Yes.

Ms Atlas—It is a valid point. We would be happy to provide you with extra information about what specifically we think government could do to assist.

CHAIR—That would be useful for us, particularly from a corporate point of view. We can hear it from Treasury and departments but we would like to hear it from a corporate point of view.

Ms Atlas—We will give you an additional submission on it.

CHAIR—Thank you very much, Ilana and Ross. We have run out of time. I am sure the members of the committee would like to have asked more questions but we have actually extended our time as it is. I would like to thank you for coming in and for your submission. I congratulate you as an organisation on the strategy that you have employed and the success you have shown so far. I trust that other industries and other employers will all take note of your

experience and your role modelling. If we have any more questions, we would like to get back to you.

Ms Atlas—Sure.

CHAIR—We will also look forward to those two additional pieces of information. Again, thank you very much.

[12.00 p.m.]

CALVER, Mr Richard, National Director, Industrial Relations; and Legal Counsel, Master Builders Australia

HARNISCH, Mr Wilhelm, Chief Executive Officer, Master Builders Australia

WILSON, Mr Denis, National Director, Training, Master Builders Australia

CHAIR—Welcome. Although the committee does not require witnesses to give evidence under oath, you should understand that today's proceedings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public, but if at any stage you wish to give evidence in private, the committee will consider your request to do so. I invite you to make some preliminary comments and then we will move to general questions.

Mr Harnisch—Master Builders Australia welcomes this opportunity to comment upon the measures that can be implemented to increase the level of participation in paid work in the Australian building and construction industry—and that is our focus. As we see it, the systemic problems facing the building industry are masked by the record level of employment generated as a result of the current boom in construction. These systemic difficulties remain acute and they must be addressed to maintain a sustainable and flexible work force for the building industry. The need for urgent action is compounded by the ageing of the work force and the need for a more diverse skills base.

The availability of labour for an industry's work force is influenced by a number of factors, the most fundamental of which are the size and characteristics of the working-age population from which it may be drawn. If an optimal work force is not available, the level of activity attainable in an industry like construction is necessarily constrained, at least in the short term. Some of these constraints exist now, but the future is even more worrying. The construction industry historically experiences a large measure of volatility in demand. However, there are no forecasts for a major or sharp decline in building activity levels over the medium and long term. Accordingly, the industry's need for a skilled work force will not diminish in the foreseeable future.

Since we lodged our submission in September 2003, employment in the building and construction industry has reached record numbers. As at November 2003, the ABS estimated that over 790,000 people were employed in the building and construction industry. This level of employment was obviously related to the increase in activity, with a 15 per cent growth in 2002-03, compared with the previous year. This level of growth is not forecast to be maintained, but we are forecasting total growth in the building industry of around eight per cent for the financial year ending 30 June 2004.

As a result of the current high level of activity, the industry is currently experiencing skills shortages in a number of areas. The most recent figures from the Department of Employment

and Workplace Relations national skill shortage list 2003 simply confirm our view that skills shortages exist nationally in a number of trades. These include carpenters, joiners, plasterers, bricklayers, tilers and plumbers, with a number of other trades showing signs of joining that list, particularly in regional Australia.

This current situation will be further affected by the very limited number of new entrants taking on apprenticeships in most trades in the industry, and that is the basis of our concern in terms of the future. We have seen an overall modest increase across the trades during those years when the industry has experienced a high level of activity. Numbers have risen from 31,680 in training in 2001 to 34,660 in training in 2002. However, these numbers will not sustain the growth that is needed to replace those older workers that are leaving the trades, and as you are aware the ageing of the population will exacerbate this trend.

An analysis of those completing their training also shows negative growth for roof tilers, plumbers and sign-writers with only slightly positive growth for bricklayers, carpenters and plasterers. We think that that is probably just a short-term trend as opposed to one that is going to be sustained over the long term. In our submission we pointed out that over 29 per cent of workers are aged 45 years and over and this proportion may increase as Australia's population grows older. We say 'may increase' given that the trend is for older workers to leave the industry with the consequence that the ageing of the work force affects the sector more dramatically. In other words, the exit rates for our industry are much higher than other industries. That is obviously a major concern for us. These excessive exit rates have significant repercussions for the industry in terms of lost productivity as the older workers are currently not being replaced through growth in apprenticeship commencements.

Master Builders believe that it is imperative that urgent action is taken not only to keep the existing workers in employment longer but also to accelerate the increase in apprenticeship entrants. It is important to note that whilst we primarily have discussed skills shortages in specific trades, shortages also exist with regard to project managers, estimators, quantity surveyors and professional vocations. In our submission we outlined that the main immediate measures that government can implement to assist to attract young people to the building and construction industry are systemic changes that are being held back by conservative forces, particularly building unions. For example, the building and construction industry principal award does not have pay rates for school based apprentices, a matter that has been recently litigated. Without those rates of pay, the industry has difficulty in even implementing vital school based programs that will help attract young people to the industry.

Getting proper data about the industry will also make a difference. Since 1974 there has been no review or formal study to determine the profiles of skills that are being used in the industry so that options available for the delivery of effective entry level and existing work force training can be properly assessed and delivered. With the current state of flux in the national training advisory arrangements, this vital project remains an idea that needs to be brought to fruition. This failure of the system to provide essential information must be rectified, therefore, as a matter of urgency.

Existing workers must also be provided with an opportunity to increase and update their skills so that the decision to remain within the industry can be theirs and will not be imposed on them. This is especially the case in periods where there is less demand for a traditional skill—for

instance, where technology has partly displaced the skill, such as in the fibrous plaster trade. The person should also be able to acquire an additional set of skills that will benefit them and the industry. The current processes to assist training fall largely on small subcontractors who do not have a culture of investing in training and who will need to retrain their work force and indeed themselves as they age in line with the demographic shift referred to earlier.

We have suggested in our submission that a learning bonus scheme be considered by government as a means of helping this group of workers in particular. The bonus would be a financial incentive for employers to encourage their work force to undertake formally recognised training that is transferable to all jurisdictions and occupations. In summary, we believe this inquiry is very important. It provides an opportunity to isolate and help remove systemic impediments to training and workplace relations matters that are needed in the face of a changing work force. We have merely touched upon some of the issues that have a broad reach and would be happy to expand on these matters during our appearance.

CHAIR—I am sure that while we go down to the division we will think of lots of questions. Thank you very much for that very good opening statement. We will come back.

Proceedings suspended from 12.10 p.m. to 12.22 p.m.

CHAIR—Denis, do you want to make an opening comment?

Mr Wilson—I think Wilhelm has said most of the things. This issue here is not only about the aged work force but also about getting the platform right, up front, to make sure that we have sufficient people coming through to pick up the jobs that are there. The skill shortages that we have talked about are getting larger and larger. At the moment we simply do not have sufficient numbers coming through the apprenticeship process to match the numbers that are leaving at the other end of the machine. We really need to find a better way of managing the total process of education and employment. The building industry, as Wilhelm pointed out, is one of the largest in the economy, and we want to find better ways in which we can work both with government and with industry partners to make sure that we have the skills that we need.

CHAIR—Richard, do you want to make an opening comment?

Mr Calver—I will expand very slightly on what Wilhelm has said. Part of the problem that we have in the industry is the indefinite period for which awards are in place. Once made, the award applies irrespective of changes in the industry. We need to have something in place that means that awards can be reviewed or varied at a much greater pace than they are at present, based on changes in the industry or in workplace conditions. We need a process that will stop the current award proliferation not only in the general economy but in respect of the building industry, to make change occur at an acceptable pace.

Mr Harnisch—I think it is important that we do provide the ageing work force with at least the opportunity to remain within the building industry in a productive way, so that they do not run the risk of being put on the unemployment scrap heap.

Mr Calver—Our award, for example, does not even have a part-time provision.

CHAIR—I have a few basic questions to begin with. Wilhelm, who does Master Builders Australia represent? What sized businesses are you representing?

Mr Harnisch—We represent all three sectors of the building industry: residential, commercial building and civil engineering. We are a builders association. We represent probably 90 per cent of the total value of work that is undertaken.

CHAIR—So you would have members ranging in size from Leighton down to my brother, who is a builder in the outback.

Mr Wilson—With his dog in the back, yes.

Mr Harnisch—Correct. As they say, typically, the subcontractor with the dog in the back of the ute.

CHAIR—You mentioned a number of demographics. What is the average age at the moment of people leaving the industry? What is the average retirement age?

Mr Wilson—That really is not a known figure, and this is the issue that Wilhelm is raising. There is not enough information gathered about the labour force itself to be able to make a judgment as to what numbers need to be coming through the system and what numbers are leaving. What we have called for is a way in which this information can be gathered. We do not know the reason they are leaving, at what age they are leaving and whether they are going on to other employment within the building industry or simply being lost.

CHAIR—You as an association have no capacity to do that?

Mr Harnisch—Not in terms of hard numbers, but you can draw some broad conclusions from the ABS data.

CHAIR—No, I am talking about the future. Do you have the capacity to be able to do that yourself?

Mr Harnisch—Not at the moment in terms of the hard data. Our membership does not extend to the whole industry, which is around 200,000-odd people. We only have a membership of 24,000, so it is very hard for us to get that data.

Ms HALL—How big is your membership?

Mr Harnisch—We have 24,000 members.

Mr Wilson—But we are actually a federation.

CHAIR—We heard evidence in Queensland from East Coast regarding mature age apprenticeships. What are your thoughts about that? It had not occurred to me until today just how dire a position your industry actually would be in with the changing demographics—just from a basic occupational health and safety perspective alone rather than anything else—in

terms of attracting people of mature age background. Do you have any thoughts about mature age apprenticeships? What is the experience to date in the industry?

Mr Wilson—The mature age apprenticeships are limited in number in the building industry, for a number of reasons. One reason is that the training system itself does not encourage mature age apprenticeships. However, it has occurred in Queensland, as you mentioned. Indeed, we do support mature age apprenticeships. We do support all pathways that enable people to enter the industry and stay in the industry, whether that be entry via school systems—which Richard and I have been fighting in the courts about—or entry by mature aged people. I am not sure, Richard, about the apprenticeship wages within the IR system itself.

Mr Calver—Our award does not have the capacity to pay mature aged people an apprentice wage; you have to pay them an adult wage. Maybe we could take that question on notice and give a considered written opinion.

CHAIR—Thank you. The evidence we heard from East Coast was not so much about what we define as mature age, which is 45-plus, but more about late entry—people in their 20s—and the barrier to putting an adult on at first-year apprenticeship rates. The other evidence, of course, is that very few people are fully aware of the benefits of taking on an apprenticeship. They look at the rewards for the first one or two years and then turn their backs, not realising that after four or five years—one or two years post apprenticeship—the salary can very well be up there with the best of occupations. I sense a failure by industry itself in not publicising that fact.

Mr Harnisch—We certainly do as an association. We are very conscious of the skills shortages that exist in our industry. We have a very active program promoting the benefits of being within the industry, which is very much what you are saying. It provides many of the entrants an opportunity to have a very profitable business at the end of an apprenticeship period in terms of being able to conduct their own business either as a subcontractor or as a builder in their own right.

Mr Wilson—We are working with the federal government, with Brendan Nelson, on the National Industry Skills Initiative regime, with which we are trying to do two things: encourage people to join the industry and, secondly, encourage employers to invest in training. We will be looking at doing further work this particular year with Dr Nelson.

Mr Harnisch—But there are also then systemic challenges, I suppose, in a sense that it is very difficult in a very crowded market, in which every other sector is also seeking entrants for their particular sector, to get that message across. We believe that message should certainly start at the school level. The challenge that we are working on is working with the school system to get the message across that there is a very rewarding career within the building industry and that—apart from, as you say, a two-year, low-pay regime—there are some significant opportunities for those who enter the industry.

Mr Calver—There is another systemic problem. The way that apprenticeships operate in the building industry is that they are four-year traditional apprenticeships and there is very limited scope to have building blocks of skills leading to different pathways. So we are locked into, in many senses, the four-year traditional apprenticeship and that model has been adopted in all of the formal instruments that govern us, including the award structure. What we are trying to do—

and Denis can go into further detail about this—is get people to recognise that over the course of a number of years they could build these building blocks and, if they do leave and have a certificate up to a certain level, they can go back and complete it later on so that there is more flexibility, rather than in the traditional indentured four-year apprenticeship.

CHAIR—And they would have that recognition of that prior learning that takes place.

Mr Calver—Yes.

Ms VAMVAKINO—I found your submission interesting from a lot of perspectives, even from my personal experience in my electorate. It probably makes sense to me now at a time when Minister Nelson is promoting the idea that not everyone can go to university and they should consider the trades as a viable option. A lot of young people I come across have very negative experiences of building apprenticeships, usually of employers—and I do not want to go into that. Clearly, you are going to have a problem attracting young people to your industry and I—as a parent, a former teacher and all sorts of things—can tell you that it strikes me, putting the older people aside, that the younger people just do not seem to be interested in participating in this industry. They do not see it as a viable long-term career, and not everyone is business oriented. So what is your organisation doing to try and attack head on that issue of attitudes and the fact that a lot of young people may want to go on to university and do cappuccino courses?

Mr Calver—I will start off with the school based apprenticeship schemes. The school based apprenticeship schemes that we have in the various states are ready to burgeon. What we find is that if young people at school can get an experience of the industry they lose that fear that ‘this is hard, dirty work with low pay’. That is the perception that some people have of work in the manufacturing sector or the construction sector, and it is a perception—and you are absolutely right—that we have to shatter. So we are attacking that by trying to generate greater numbers of school based apprentices so that they can transition from school into work. Also there is a very good scheme here in the ACT which isolates children—I should not call them ‘children’ because they are really maturing teenagers—who are at risk at school. They have been identified as students who need some nurturing and a purpose. They are put into a scheme that operates whereby they are given building work as well as remaining at school. That has got a very high success rate of their finishing school and going into the building industry. It is a scheme run by CITEA. That is the one I am most familiar with. Do you want to elaborate, Denis?

Mr Wilson—Certainly its focus, as you mentioned, is on young people at risk whom we are encouraging to see the industry as an industry of first choice and not of last. In fact, only one has left. The same thing has applied in a number of the other states, and I hark to Queensland, where they have a school based apprenticeship system in place and the attrition rate is the lowest of any other way of leaving the industry; in other words, those who have come in pre-apprenticeship or are on an traditional apprenticeship have a high level of attrition whereas those on school based arrangements have a low level of attrition. Certainly Master Builders have been working with government and our own industry associations to try to say that the building industry is an industry that is hugely attractive, but what people mostly see are bricklayers. They do not see labourers, they do not see acoustic engineers, they do not see architects; and they do not see that you can be a project manager tomorrow—last year’s apprentice of the year is now an assistant project manager. They are the people we want to attract.

Mr BRENDAN O'CONNOR—He does not wear a blue vest.

Mr Wilson—That is exactly right.

Ms HALL—But you also need to attract the other workers, not just the acoustic engineers. You need to attract the people who will be excellent tradesmen, excellent building site workers. You need to have a mix of the work force and people who can contribute at different levels across the work force.

Mr Harnisch—You have hit the nail on the head. It is a real challenge for us. As an association we are working very hard at it. I think it needs to be put on the record that attracting people to our industry is a multidimensional problem. The industry is seen, in some ways, negatively. One of the reasons it is seen negatively is the industrial relations climate, which is often one of the areas that detracts people—and certainly parents—from encouraging their children into the building industry. They read, unfortunately, the headlines about so-called violence and union thuggery on building sites and that projects a very negative image. I am not saying that that is the only reason causing the negative image but certainly it does not add in any way to attracting new entrants.

Ms HALL—My question is exactly the opposite of Maria's. In the electorate that I represent in this parliament, there are many young people who want to get jobs within the building and construction industry and the employers do not offer enough apprenticeships. What action do you think can be taken to rectify that shortfall? One job for an apprentice in building and construction will attract a thousand applications. It is the same with plumbing and it is the same with the areas that you identified as having shortages. Yet the jobs are there and you have a ready, willing work force of young people who are missing out on an opportunity and quite often will end up being long-term unemployed simply because the opportunities are not available for them. Their parents are not worried about the industrial relations implications. Their parents actually want their kids to get blue collar jobs, and the employers are not offering the jobs.

Mr Harnisch—I might get Denis, in the first instance, to answer that.

Mr Wilson—I think it comes back to the point that we made in our opening submission, that the culture of the small business man is not to train. Now 95 per cent of our members are businesses of five people or less. For them to take on an apprenticeship—let us say a four-year one, and that is an issue I will come back to in a second—they simply do not have the knowledge that they have got work that far out, so they say to themselves, 'Well, am I going to sign that contract of training? I don't think so.' So what we are asking for is for consideration to be given to more flexible training packages and therefore more flexible training contracts to allow that to happen.

CHAIR—And yet some will. Why do some do it and others do not? If it is going to be an impediment to one small builder, it should be an impediment to all of them. I do not understand that. I do not want to be personal here, but my brother will take on an apprentice every time, train them through, and he is only a three-man operation. He does it all the time.

Mr Harnisch—I am not justifying the decision of small subcontractors not to take on an apprentice, but let us look at some of the factors that might influence their decision. One is that

this is very much a project based industry—in other words, it relies on getting the next job—so there is no guarantee of income streams over, say, the four-year period of an apprentice. There is no guarantee of regular income flows.

Sure, some subcontractors are making better profits than they were in other times. But because of the high level of entrants within the building industry—at least contractors—there are very competitive margins within the industry, and those who perhaps are not as robust in their business plan simply do not have the capacity to manage that risk in terms of having to pay increasing wages over time. It is not only year 1; it is years 2, 3, and 4 that they have to provide for. Sadly, yes, there is a mind-set: ‘This is not my problem; someone else will train somebody and I’ll just pick up the tradesman down the track.’ Yes, there is an unfortunate cultural mind-set which says, ‘This is not my problem; it’s someone else’s.’

Mr Calver—Can I also add that there is another trend in our industry that is affecting this matter, and that is that there is an increasing level of specialisation. The chairman’s brother is probably a house builder with a full knowledge of the building process. In commercial buildings there are greater and greater levels of specialisation. You have building firms that only hang doors. How can they take on an apprentice? One of the ways that we are dealing with that is the formation of group training companies, and these are burgeoning. So you can then have at that level the ability to place young people in a range of businesses. For six months they might be with a firm that hangs doors and they can go to a glazier to get the full range of skills.

The difficulty with that is that the need to do that is leaving the system behind because of what we talked about before—the traditional four-year indentured apprentice to one principal. The group training companies have to attenuate the rules a little bit to fulfil that. Also the way that the training packages are structured and the way that the formal training of those people occurs sometimes does not fit into that group training mould. Perhaps what we should do in respect of your electorate is talk to you out of session about contacting the local group training company, and probably the closest would be in Newcastle. Would that be in your electorate?

Ms HALL—Yes, I know the one in Newcastle and the one on the Central Coast. There are actually two up there.

Mr Harnisch—We have a very vibrant group training company there.

Ms HALL—Group training is good, but there still are many young people who would like to work within your industry. It seems to me a rather sad scenario: you have very much an ageing work force, a work force that, when they leave, is not going to be replaced. I think that as the peak body it is something that you really need to get your head around, because it will create an enormous problem for us as a nation further down the track.

Mr HARTSUYKER—Do you see—you mentioned the large number of small firms—OH&S and the need for supervision and so on as being an impediment to training, where a first-year apprentice cannot be left by himself in certain circumstances? Is that an impediment to people training apprentices?

Mr Harnisch—Standing aside from perhaps the industrial relations framework, we do not see that as an impediment. Yes, they do require greater supervision, but that should not be an

impediment to getting particularly school leavers coming into the industry. There is the overlay of the industrial relations, which is used as a reason why we cannot engage young people on sites, because they represent an unacceptable risk. We do not agree with that. We believe we can actually put in place safe working arrangements which would mitigate that risk.

Mr HARTSUYKER—We have people in the building industry who have been working at height and working in heavy structural work. Obviously that is not an ideal occupation as the years roll on. Has there been much thought to life cycle type training to move them from heavier jobs to something like joinery or whatever that has lighter loads and that is more suitable for someone who is perhaps not quite as physically able as they once were?

Mr Harnisch—Yes, we have considered it. Denis is probably better placed to answer that.

Mr Wilson—The commercial firms to a large extent will look at the way in which they manage their arrangements. Going back five or 10 years ago commercial firms used to employ their own labour; they no longer do so. The subcontractors in some cases are bigger than the contractors. So we have to make sure that they are in fact finding a pathway for their workers into the future. The issue we mentioned in our submission about a learning bonus is to try and encourage the formalised approach of getting those employers to arrange for training to take place and to have it funded accordingly. That is where we are thinking the existing workers are the workers we also need to focus on, not just the front-end new entrants.

Indeed, there are some other things which I might just mention. Workers compensation has gone through the roof. Payroll tax impacts on us significantly. Our group training companies, of which we have something in the order of 1,400, are severely impacted on in being able to strike a rate for the host employer to take a person on. It is getting more and more commercially difficult by the second.

Mr BRENDAN O'CONNOR—Your submission refers to the fact that there are only 12 per cent of women in your industry, compared with an average of 45 per cent of women in the work force as a whole. Given comments already made about the fact that there are so many jobs that go beyond what are seen to be the building industry—those very labour intensive roles—what is being done to attract women, and what is not being done but perhaps should be done to attract more women into the industry?

Mr Harnisch—We are very keen to get more women in the building construction industry. That is not to say that we are saying that they should all become burley builders' labourers, but there are what we would call 'softer trades' that would ideally suit women within the building industry. We are not looking at labourers carrying tonnes of concrete every day. We have promoted it actively in terms of getting women in, but I will get Richard to talk about the impediments which are stopping us achieving the quota that we think we should be able to achieve.

Mr Calver—At the moment, we are part of the work and family test case or the counterapplication to the ACTU application. Our application principally seeks to insert a part-time provision in the award—there is no part-time provision at the moment—given the fact that women are attracted to that capacity. On the tools—as the expression is known—the figure is about one or two per cent of women. It is not only the physical aspect of it. We have heard from

EOA, who may well have given you evidence, that there is no capacity for long-term career planning on the tools, because there is no part-time provision there. There is a limited provision to return to work after giving birth, which was put in as a result of the test case. So there is a part-time provision. There is greater flexibility in nomination of hours at the election of the employee with the agreement of the employer. There are some other basic problems we are negotiating with the CFMEU about—that is, having some diversity guidelines that might be in a form that you could attach to a certified agreement, for example, which would get rid of pornography from sites.

Mr BRENDAN O’CONNOR—So there is a hostile culture in some circumstances, is that right?

Mr Calver—The Cole royal commission report isolated the fact that the lack of women in the industry was a cultural issue, yes. The commissioner nominated a range of things that would change that, including the insertion of part-time provisions in the award. We are working on that principally through the work and family test case, although we are having difficulty attracting women witnesses.

CHAIR—When are you expecting a result for the test case?

Mr Calver—The issue is that the CFMEU made an application to the commission that the building and construction industry award not be part of the test case. There were some preliminary legal proceedings where the president stated that conciliation with CFMEU had to end before we were even part of the principal proceedings. Conciliation will not end until 12 March, and we are not yet part of the major proceedings. We do not even know whether our award will be allowed to be carried forward as a vehicle for the test case counterapplication. But there will not be hearings in the matter until July, so I would anticipate that, even if we become a vehicle in the work and family test case, we are looking at well into 2005 before we get a judgment.

CHAIR—This is the last question from me, and it relates to your answer to Brendan’s question. It seems to me that the Treasurer’s announcement last week is going to have very minimal impact on your industry, apart perhaps from some of the allied professions that are with it. But, in terms of on-the-site jobs, it is not going to be there unless you have this part-time capacity. It is not enough to provide an incentive to stay in the work force and take out part of your superannuation if there is not that part-time provision.

But more importantly—and I know we spent a lot of time on apprenticeships—can I direct your attention to one closing comment on mature age. I think, as an industry, surely you have a problem generally in attracting mature age workers anyway. The very nature of your industry—the physical nature of it, the inherent risks associated with it—is not going to make it attractive to mature age workers. Or is there a strategy and a way out where you can employ mature age workers in it? You heard Westpac’s submission before and that they employed a strategy to employ mature age workers. It is an industry where you can do that. I am just wondering whether any strategy is going to have any success in the building industry.

Mr Harnisch—I think our industry has a much greater challenge compared with white-collar industries. But you are making the assumption that someone who has been engaged in physical

work has no transferable skills. One of the areas that we have identified is that of training, where the older work force can be redeployed to either become mentors or supplement the TAFE training area to pass on those skills. In the end, those skills have to be passed on in a physical sense. You have to learn how to put a roof together or how to put a frame together by doing the work, as opposed to learning it from a textbook. They are physical skills that cannot be easily learned through a textbook. Those skills only come through years of experience. One of the areas that we have certainly identified is to allow that transfer of skill to occur through that particular process.

CHAIR—That is a very limited opportunity, though, isn't it?

Mr Harnisch—It is. As I said to you, it is very much a major challenge for our industry.

CHAIR—Basically, you are moving off the site and into a training and mentoring role.

Mr Harnisch—Yes, but that is far better than having the industry workers becoming taxi drivers—with due respect to taxi drivers.

CHAIR—I understand that. Thank you very much for your submission. You have presented an industry that we have not heard from before, and I can see that it has unique problems. That is quite evident from your submission. You are going to get back to us, Richard, on something to do with mature age apprenticeships?

Mr Calver—Yes, we will write to you about that.

CHAIR—We look forward to that. I thank you for your submission. If there is any need for us to get back to you, we would like to have the opportunity to do that as well.

Resolved (on motion by **Ms Hall**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.53 p.m.