

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Building and Construction Industry Inquiry

Submission no: 65

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Submitter: Mr Peter Cavanagh
Director

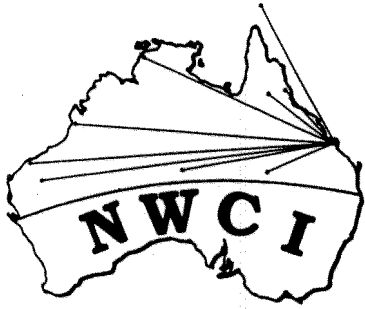
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28 January 2004

Mr J Carter
The Secretary
Senate Employment, Workplace Relations and Education
References Committee
Suite SG.52
Parliament House
CANBERRA ACT 2600

Dear Sir,

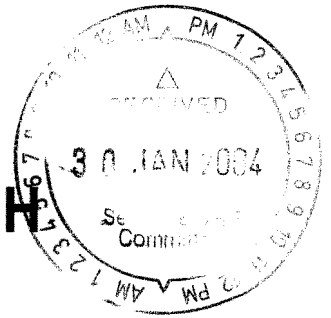
Re: Senate Inquiry – Building and Construction Industry

Further to my previous correspondence regarding my interest in the Senate Inquiry into the Building and Construction Industry, please find attached statement regarding topics that are of concern to our business.

Yours Faithfully
NWC I PTY LTD

PETER CAVANAGH

PETER HAROLD CAVANAGH




Statement

I, PETER HAROLD CAVANAGH, c/- NWCI PTY LTD, 2/45 Commercial Drive, Shailer Park, Queensland 4128 state:

- a) The Company doesn't have an official Managing Director, there are two working Directors who jointly share responsibility for different aspects. I am one of these Directors.
- b) The Company is a wall and ceiling contractor working as a subcontractor to major builders on larger commercial construction projects in principally South East Queensland and occasionally areas in North Queensland and on very rare occasions into Northern New South Wales. The Company would have at varying times between 150 to 250 workers on site, which would be a combination of labourers, wall and ceiling fixers and carpenters. That number of men would vary upon the workload at the time and varying supervisors and office staff.
- c) Principally we would work for the major builders such as Bovis Lend Lease, Multiplex, Boulderstones, John Holland, Abigroup and a few companies that are solely Queensland such as Watpac and Sunland.
- d) We have apprentices, varying numbers, generally between 5 and 7. They are direct apprentices and we also quite often have, supplementary to that, apprentices through group training schemes such as BIGA. Generally these apprentices are alright but I don't think they get the



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grounding in the industry that they would get if they worked solely for one company.

- e) We have a current EBA with the unions and is suitable to our business. I believe any agreement always involves some compromise on both sides and if we weren't happy with it we wouldn't have signed it. I don't feel I was forced into signing an EBA or that anyone actually made me do it. I think the agreement suits the industry.
- f) In relation to pattern bargaining, while I am not necessarily condoning pattern bargaining, I think you have to have some form of uniformity in agreements that different companies would sign otherwise no-one would end up making agreements because your commercial business decisions you would be worried about what your competitors are getting or aren't getting. I think this is the third EBA we have signed.
- g) I would describe my relationship with the union as a good working relationship. We have our moments where we disagree; usually they are settled amicably and with common sense. Sometimes I think they are settled and both sides may go away thinking that it wasn't to their satisfaction but I would say ninety odd percent of the time any disagreements that we are closely involved in are settled quite sensibly, with common sense applying. The times that we would probably have a problem or an issue relate more to disagreements between the unions and the builders where it is outside of our control and we wouldn't be having input into that.
- h) We use labour hire very very rarely, or most negligible other than when we might obtain apprentices from a group scheme but vary rarely. We see very little advantage in labour hire. You don't know the person you



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are getting, the actual worker, what his capabilities are, he is only there maybe to do one day or two days, he hasn't got loyalty to our company, he has no obligation to us, he is not trying to maintain a job with us. You would have to question the capabilities of that worker as to why he is not working for a company. We generally find on the labour hire side that if you program and schedule your works you shouldn't need labour hire.

i) The main problems in the industry in relation to us as a subcontractor, obviously not being a builder, is the proverbial level playing field which relates to non compliance and the onus of compliance seems to fall on the larger companies that have more workers and the smaller companies seem to get away with it, they maybe fall under the radar, it is too hard in some cases for statutory authorities to check and make sure these people are complying with statutory requirements. By compliance I mean a bulk of issues, safety is one, obviously the onus on safety tends to fall on the larger projects and then onto the larger companies. I have no direct proof of it but my perception is that there tends to be an attitude of the larger you are the more capable you should be and if you are smaller and have fewer workers we can't expect quite so much of you. Within our industry, we are one of the very few companies with their own dedicated full time safety officer, where most of them would be an owner/operator trying to do that as a part time role.

j) On compliance issues that relate directly to payments is, once again I can't name companies as I have no proof but you continuously hear stories from people that work for you about not getting paid the correct money, getting promised certain payments at the end and them not being achieved. While that is of some concern I don't necessarily think it is a major problem to us because at the end of the


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day the workers know what they are entitled to and I believe they generally get that as far as their Award or EBA entitlements. Probably of more concern to us is the potential for rorting in relation to superannuation, redundancy, workers compensation and items like that where our perception is that the larger companies are the ones that get audited regularly and checked, that may be because they have a nice comfortable office to sit in and they keep good records.

- k) There certainly is a shortage of skilled labour at the moment. At the moment this is due to a combination of a lack of training over the years and the volume of work but I think that any time there is always a lack of highly skilled people in the industry because it tends to be an industry that a lot of people fall into by default and have no training but just sort of learn it on the job as they go because there hasn't been enough emphasis on apprenticeship training over the years and too many companies are out there doing reasonable amounts of work with, in many cases, no apprentices whatsoever and relying on other companies to do the training.
- l) I have never come across the Task Force. I do know of the Task Force. In relation to having a third party police industrial relations on building sites, I can only comment in relation to our business and we would see no advantage whatsoever. The times we have had the least problems and the least disruptions is when we can go in and negotiate and settle the problem directly ourselves. We find that things tend to drag on when we are less involved or have no say in it.
- m) I have heard of the application by the union trying to lift the Award to up to the most recent EBA rates. I am indifferent to that application, I have no problem with it


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occurring to get the rates of pay up to a reasonable level where people fall outside of the EBA agreement and there is no reason why they shouldn't be earning similar monies to what people doing similar work elsewhere are achieving. I have a concern if that is used in the future as a tool to negotiate higher rates for future EBAs, I would like to think that wouldn't occur.

n) I have had no involvement with the Queensland or Australian Industrial Relations Commission. We avoid the Commission.

o) We have had minor problems many years ago with the security of payments by the builders. Because of the issue of security of payments we only work for a handful of builders and we have probably got a niche in the market where we work with large, major, generally international construction companies and you are fairly secure. If I was more comfortable about security of payments I would broaden my client base. At the moment I won't broaden my client base because it is too easy for subcontractors not to get paid by builders and there is almost nothing you can do about it.

p) I don't think the industry needs to be more regulated; I think we have enough regulations. I think what it we need in certain areas is to ensure that the regulations are being followed, you can have all the rules and regulations you like but if no-one enforces them or checks them they are irrelevant aren't they? We would all be out robbing banks tomorrow if they didn't arrest you for it.

q) When you are in a position to sit down as two parties and talk directly about your issues and you both want to reach a resolution to the problem and you apply some common sense to it then you will find a resolution, as with


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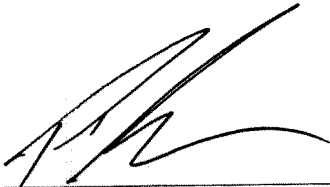
my dealings with the union. The protracted and drawn out disputes that we see are usually due to people being pigheaded and probably because of egos being involved.

- r) This statement is to the best of my knowledge true and correct.

Dated this 27th day of January 2008

PETER HAROLD CAVANAGH

WITNESS: A. Butkus



PETER HAROLD CAVANAGH



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