

Friday, 9 July 2004

The General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
P O Box 1199  
DICKSON ACT 2602

Dear Sir,

**Application for authorisation number A90895  
Lodged by Clay Brick and Paver Institute**

Thank you for the opportunity to lodge a further submission following the Pre-Decision Conference held on 4 June 2004.

1. Manufacturers of clay bricks initiated the proposed levy as the present system of training and employment of apprentice bricklayers is not providing the numbers to fill the void left by bricklayers leaving the trade, let alone increasing the available number. The draft determination recognises this at paragraph 6.37 of the interim determination.
2. The Clay Brick and Paver Institute reiterated what was stated in the amended application and again at the conference – that the members of CBPI (“the manufacturers”) in each State will decide independently, depending on the requirements in that State, whether they will establish a new group training company or partner one or more existing group training companies.
3. The manufacturers have the view that, as they support the levy with a matching contribution and as the initiative was born from the fact that the present system was not supplying adequate numbers, there is a need to be innovative which is best served by the manufacturers making the decisions on implementation on a State by State basis.
4. Comment was made during the Conference that the cost of establishing and administering a new group training company would decrease the available money from the levy to promote and support bricklaying apprentices. No money from the levy will be used for this purpose; those costs will be allocated from the matching contribution made by the manufacturers.
5. As the submissions regarding the interim determination, with one exception, pertained to Western Australia, I asked the local Association to provide comments from the members and they follow:

- 5.1 Contrary to the position described by Mr Hodnett (first paragraph, page 2 of the minutes) CBPI has not indicated that it was more likely to create a partnership with an existing group training company. The WA counterpart of CBPI held some discussions with Skillhire, WAGTS and HIA to explore, on a very preliminary basis, whether there was likely to be any prospects of establishing partnering arrangements for the delivery of an innovative approach to bricklayer training. Such discussions emphasised the need, from the perspective of the brick industry, for an innovative approach to be applied to bricklayer training – simply to avoid the failings of the existing system.
- 5.2 Contrary to the submission of Mr Hodnett (middle of page 2 of the minutes) the CBPI has not decided that funds raised by the levy will be provided to the HIA.
- 5.3 The submission of Mr Hodnett (page 2, paragraph 7 of the minutes) regarding a ‘saving’ of \$243.00 per week as opposed to the cost of employing the same apprentice through a group training company not in receipt of the levy simply ignores the criteria explained to him at a meeting on 7 May – i.e. that the intention of the brick industry in WA is that levy funds will be utilised for an innovative approach to bricklayer training, designed to encourage and place additional apprentices into training in Western Australia and address the failings of the existing system.
- 5.4 The submission of Mr Allen (3<sup>rd</sup> paragraph, page 3 of the minutes) ignores the fact that, in WA, group training companies have, until recently, received a considerably higher level of BCITF funding than employers of directly indentured apprentices – a fact which may account for the current ratio of apprentices employed through group training companies, as compared to apprentices employed directly.
- 5.5 Contrary to the submission of Mr Allen (5<sup>th</sup> paragraph, page 3 of minutes) the view of WA brick manufacturers is that equal allocation of levy funds to all group training companies will simply perpetuate the problems inherent in the existing approach to bricklayer training in WA.
- 5.6 The submission of Mr Allen (penultimate paragraph, page 3 of minutes) that the levy will increase the cost of houses has been dealt with previously in the application by CBPI.
- 5.7 The submission of Mr Allen (final paragraph, page 3 of minutes) ignores the requirement, from the point of view of brick manufacturers in WA, for an innovative approach to bricklayer training – in an attempt to increase the number of bricklaying apprentices undergoing training in Western Australia and avoid the problems inherent in the existing approach to bricklayer training in WA.
- 5.8 Our understand is that the submission of Mr Hodnett (3<sup>rd</sup> paragraph, page 4 of the minutes) in relation to mature-age apprentices and legislative requirements as to remuneration in WA appears to be misinformed.
- 5.9 The submission of Mr Harnish (4<sup>th</sup> paragraph, page 5 of minutes), as with a number of other submissions, appears to be based on promotion of group training companies only and ignores the fact that a significant number of apprentices are directly indentured by employers.

- 5.10 The submission of Mr Linn (page 7 of the minutes) ignores the fact that Group Training Australia contacted Clay Brick Manufactures Association of Western Australia (CBMA) to discuss the proposed levy and that Mr Linn failed to follow-up on those discussions in accordance with the position advanced by GTA during such discussions. Furthermore, and contrary to the submission of Mr Linn, the CBMA had engaged in discussions with three existing group training companies about the proposed levy.
- 6 CBPI is concerned that, in the event of the proposed levy is required to be directed to **all** existing group training companies, the brick industry initiative may be regarded in particular States (e.g. Western Australia) to be no longer likely to deliver the desired outcomes in terms of increasing the number of bricklayers. In such circumstances, CBPI considers the levy may not be supported by the manufacturers in those States resulting in the initiative potentially not proceeding.

**R. F. Rushton**  
**Director**