



**WE SPEAK FOR
AIR CONDITIONING**

ONGOING COMMONWEALTH ENGAGEMENT AT AMCA NATIONAL COUNCIL LEVEL

The evening prior to the AMCA National Council meeting allows an opportunity for the AMCA State Presidents and Vice Presidents to meet with Senior Policy makers at the Commonwealth level.

In December the AMCA was fortunate to host Ms Kate Carnell, the inaugural Australian Small Business and Family Enterprise Ombudsman (ASBFEO).

As part of our discussions with Ms Carnell, the AMCA raised our members' involvement in the building and construction industry as a vital component to the Australian economy. It accounts for 8% of total GDP, includes over 350,000 businesses, and employs over one million people. More broadly it contributes to the health, wellbeing, productivity and standard of living of every Australian, areas that have been advanced significantly by the heating, ventilation and air conditioning (HVAC) technologies designed and installed by the members of the AMCA. Small to medium and family owned enterprises play a significant role in providing goods and services in our industry. As part of the AMCA lobby agenda, the Commonwealth Government announced that small businesses providing goods and services to the Commonwealth will be paid faster, in 20 days, rather than 30 days, for contracts up to \$1 million.

Further, Ms Carnell communicated findings from the ASBFEO recent inquiry in which it was recommended that:

- The Australian Government require its head contractors to adopt the payment times and practices of the procurement policy through the supply chain;
- The Australian Government extend its payment policies to all agencies and entities;
- The Australian Government publish its payment times and policies, and for all its agencies and entities, with performance against best practice benchmarks;
- The Australian Government procure from businesses which have supply-chain payment times and practices equal to or better than its practices.

The AMCA will look to engage further with the ASBFEO as we look to provide evidence in supporting an increase in the threshold of government projects above \$1 million and details regarding delayed payment practices throughout the industry.

In February, National Council members met with Mr Bob Baird, Executive Director and Ms Jolanta Skawinski, Executive Officer with the Department of Defence.

Over several years now Ms Skawinski and Mr Baird have been working closely on the development of integrated project delivery contracts. These contracts will have an impact on the way in which AMCA members are engaged early with Defence building and construction projects. The AMCA provided advice regarding early contractor involvement and ways to support specialist contractors' to gain prompt payment and further recognition for the crucial role they play in the delivery of these projects.

The AMCA will continue to advocate ways in which we improve the business environment for our members.

VIEWS

MARCH 2018

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SKILLS TAKE PRIORITY FOR GOVERNMENT AND AMCA IN 2018

The AMCA's Survive and Prosper report launched at our National Conference last October identified skills as one of the primary challenges facing members and our industry.

While members raised the quality of skills as an ongoing issue, it was the availability of skills supplied by Australia's vocational education and training system that stood out most.

The prevalence of these issues was also evidenced by research undertaken by the Commonwealth Government, which found that attitudes towards VET have improved over the last decade, but not enough to make it a first-choice among school leavers and young people.

The research also found continuing misconceptions about VET, as well as a general lack of knowledge about the system and what it offers by way of career paths.

Consequently, AMCA members face an uncertain future.

In fact, almost all members' key skill needs are at risk, with many appearing on the government's medium to long term strategic skills list (MLTSSL). These include air conditioning and mechanical services plumbers, sheet metal trades workers, air conditioning and refrigeration mechanics and mechanical engineers and draftspersons.

To address some of the supply issues, the Commonwealth Government launched an ambitious strategy in 2017 aimed at elevating the status of VET among potential consumers.

Part of this strategy involves meaningful engagement with key stakeholders.

In December, the AMCA met with the office of Karen Andrews, Minister for Vocational Education and Training, to discuss the challenges facing businesses operating in the HVAC industry, and to identify areas that will help shape the implementation of the Government's strategy.

For example, the AMCA will provide input into the rollout of the government's real skills for real careers campaign, which aims to reposition VET as a desirable career pathway among students, parents and teachers.

Additionally, the Turnbull Government has allocated around \$1.5 billion over four years for the Skilling Australians Fund. The fund will focus on delivering improved training quality, as well as an extra 300,000 apprentices per year targeted at priority occupations that include those most needed by AMCA members.

Critically, the government has acknowledged the importance of employers in increasing apprentice numbers throughout Australia, and the AMCA have initiated conversations about opportunities for government investment in pre-apprenticeship programs that will ensure employers have access to apprentices that are more job ready.

As AMCA members know well, the national VET system plays a vital role in delivering the skills Australian businesses need. Therefore, the AMCA will be working hard throughout 2018 to ensure that policymakers make producing job-ready candidates one of Australia's top economic priorities.

BLUEPRINT FOR BETTER MENTAL HEALTH

On 16th September 2016, 52 industry leaders met for a Roundtable discussion about better mental health and suicide prevention in the Australian building and construction industry. The motivation of the group was to find ways to work collectively to drive change, make a difference and get tangible outcomes. The view expressed was that the industry should understand the challenges and target areas where best effect could be achieved. We should learn from other industries but also display our own leadership working to an agreed roadmap and timetable.

The roundtable adopted a shared vision for 2021 where the industry:

1. Was a global leader in mentally healthy work places;
2. Had a nationally agreed framework that was adopted and supported by all stakeholders (the wider group identified);
3. Accepted mental health as a normal part of conversations on sites;
4. Received reports from organisations on key metrics;
5. Supported and participated in the development of a growing evidence and research base.

The meeting developed a six-point plan for the first 12 months of the process:

1. Effective National work group and communication strategy in place;
2. Completed research to define a mentally healthy workplace and identified hazards and risks for mental health and suicide;
3. Developed and published an industry mental health framework;
4. Agreed guidelines with regulator with view to make legislative change;
5. Strategy for full industry engagement over the next three years;
6. All apprentices under structured training receive mental health and wellbeing education.

World Health Defines Mental Health in the Industry

The World Health Organisation has defined mental health as "a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community." It is central to having a good life.

Without it, people are likely to experience problems or distress in various aspects of their lives, including their relationships and their work lives. At the same time, problems in each of these aspects of life are likely to affect mental health.

Hence, there is a reciprocal relationship between a person's social environment and their mental health.

The Mental Health Roundtable will convene again in March 2018 to consider and endorse the current draft blueprint which has, at its' core, 6 intervention strategies which include:

- Policy Implementation – Dealing with both work content and context policy will consider expectations, communication, job design, role clarity, fatigue, rosters and acceptable interpersonal behaviour.
- Supervisory staff – Training of supervisors to understand roles and expectations in the implementation of site/business policy.
- Peer support - Implementation of peer support programs positively impacting on workplace culture, as well as creating clear pathways to help. Peer support networks in the workplace can also help inform policy and supervision positively.
- Hazard mitigation – Mitigate harmful exposures onsite such as excessive workplace stress, debriefing/support following critical incidences or a suicide to minimise ongoing effect on the workforce.
- Prevention – Worksites in high risk areas should prevent access to site by the public to mitigate suicides onsite. Sites/workplaces can pre-plan intervention processes ensuring that a support strategy is implemented immediately following a traumatic event onsite.
- Connection - On remote sites it is important to ensure adequate communications facilities, family friendly rosters, camp activities and peer support to mitigate the sense of disconnect felt by many FIFO/DIDO workers.

AMCA is proud to be associated with the development of this important work and would encourage members to continue working to achieve best-practice standards for Workplace Health and Safety.



ELECTROTECHNOLOGY IRC SKILLS FORECAST KEY FINDINGS



The availability of a qualified skilled workforce is fundamental to capitalise on growth opportunities, but as is often the case in recent times, the shortage of skilled labour has restricted the growth potential for several sectors of the industry. It is not uncommon to hear employers mention that there is often less than one suitably skilled worker for each job advertised for a R&A/C Technician vacancy.

The Electrotechnology Industry Reference Committee (IRC) tasked Australian Industry Standards (AIS) with the preparation of a workforce development report, to enable the IRC to take into account these developments in the setting and development of the IRC Training package skills needs priorities. The AIS invited employer input into their report input from industry and this article highlights two aspects of this report.

Electrotechnology Skills Shortages

Approximately 71.6 per cent of employers reported experiencing a skills shortage in the last 12 months. The occupations reported as being in shortage were:

1. Refrigeration / Air Conditioning Technicians
2. Electricians
3. Educators
4. Engineers (various)
5. Renewables Specialists

Employers identified the following reasons for the shortage with the most frequent response listed first:

1. Ageing workforce/current staff retiring
2. Cost/time to achieve the required qualification
3. Wages/salaries considered too low
4. Unattractive job/poor industry image
5. Competition from other organisations.

Workforce Supply Side Challenges and Opportunities

While the average age of workers in the Electrotechnology industry is 39, 24 per cent of the workforce is aged over 50. The ageing workforce presents a considerable challenge to the industry. The loss of key skills and industry knowledge created by retiring workers will put strain on the workforce and further increase competition for employment. The loss of experience and corporate knowledge will further strain the workforce.

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Changes to the Personal Property Securities Act - Are you prepared?

There are two new issues facing the construction industry today that most are unaware of, including nearly all accountants and lawyers, and they are both caused by the PPSA (Personal Property Securities Act).

The introduction of the PPSA has brought with it some important changes to the way we should all do business. This includes how to prove a machine is yours and why you should protect yourself when extending credit to customers.

Risk 1: Preferential Payment Clawback

The new method of liquidators dealing with a bankrupt company has left many vulnerable to clawback.

As indicated in the corporation's act, the PPSR (Personal Property Securities Register) is the only service in Australia that can secure you as a creditor. In the past when a company or customer went under, the receivers were able to liquidate all assets and the secured creditors would get a viable 10 cents on the dollar.

The unsecured creditors generally got nothing.

Fortunately for the secured creditors, the system has changed. Now if your customer goes under, the receiver addresses the PPSR and will pay the secured creditors in order of the registration date in full.

When there is a shortfall of funds to pay the secured creditors, as is most often the case, money may be retrieved from unsecured creditors that have been paid in the last six months.

This can be devastating to most companies if not secured.

What often happens is these unsecured creditors complete a job, get paid in good faith, or what is thought to be good faith, and then just six months later are told they must return their money. Imagine if this is you?

The only way to combat this is to become a secured creditor by having correctly written, legally enforceable terms of trade agreed to by your client and then register your secured interest on the PPSR. You are not susceptible to preferential payment clawback if you are a secured creditor.

Considering all of your well-earned money is at potential risk, paying the low cost of \$6.80 to register with the PPSR is a great deal.

Risk 2: Asset Seizure

The PPSA has given receivers incredible powers of seizure. When shutting down, all equipment on site can be seized, and sold to pay off the debts of the bankrupt.

If you have equipment on site at the time, then anything from a tool to a crane, or from a car to an excavator can and will be seized.

There is only one defense and that is to have your interest in your own equipment registered on the PPSR. Having the purchase papers or having it registered with the road authority means nothing when it comes to secured interest. This is a real and imminent risk.

Eliminate your risk

There are a couple of ways to eliminate this risk and the first is to register your interest on the PPSR every time you take your equipment to site. That is an administration nightmare as you would also have to remove the registration when you leave. The second is to have your company structured where you have your assets owned by a trust or holding company then internally lease them to the trading entity. Well, that is the way we always used to set companies up but it will no longer work. There is something missing, and that is that the lease must be registered on the PPSR. The lease must also be written in a way that allows for the valid registration.

I know that this sounds very disconcerting but it has been put in place to help you protect yourself and as long as you get GOOD advice then all should work out ok. The issue is getting good advice. There are currently 14 million registrations on the PPSR and 80% of them are invalid. This indicates that there is a lot of poor advice out there. The PPSR website cannot tell you if your registration is valid or not as that constitutes giving independent legal advice which they are unauthorised to do.

For more information, contact your AMCA office.

EVENTS

MARCH				
23	SA	AMCA SA Golf Day	Kooyonga Golf Club	Christopher Rankin
APRIL				
30	NSW	AMCA NSW Golf Day	Stonecutter's Ridge Golf Club	Graham Mackrill
MAY				
8 - 10	NAT	ARBS Exhibition	International Convention Centre Sydney	
26	QLD	AMCA QLD Industry Dinner	Hilton Hotel, Brisbane	Graham Mackrill

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ELECTROTECHNOLOGY IRC SKILLS FORECAST KEY FINDINGS

Mentoring and other knowledge-sharing initiatives could be utilised in training to assist in maintaining corporate and industry knowledge. With the major disruptions and changes in the use of technology, ensuring that workers have the right skills cannot be overstated. Upskilling the existing workforce will be necessary for workers to interact and work safely with new products. Companies will be faced with greater demand to upskill, retrain, or recruit appropriately qualified people to undertake jobs in these emerging roles.

Although the report covers all Electrotechnology sectors, it incorporates the Refrigeration and Air Conditioning sector.