



OFFICE AND GENERAL CLEANING

7 February 2007

Ms Grace Concannon
Committee Secretary
Working Families Select Committee
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Ms Concannon

SELECT COMMITTEE ON WORKING FAMILIES IN THE ACT IN RELATION TO THE WORKPLACE AMENDMENT (WORK CHOICES) BILL 2005

Thank you for allowing me to make a submission to the Select Committee on Working Families in the ACT, and for your advice over the phone and by email.

Please find attached submission, along with copies of some letters to the editor published in the Canberra Times in December 2006 and January 2007.

Yours sincerely

Scott Norris
General Manager

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Norris Cleaning Company Pty Ltd is a family owned Canberra based business that has been operating in the district since the late 1960's. We employ over 120 staff, and consider ourselves to be responsible and caring employers.

I welcome the opportunity to contribute to the Select Committee on Working Families in the ACT, with my submission based on the experiences and situations directly involving our company, its management staff and employees.

My submission will not quote statistics or use any legal or ambiguous language – it is intended only to get my views across in my capacity as an employer, and if it appears to be written by someone with no tertiary qualifications, that's because it is.

As the General Manager of a business that is owned by my retired parents, I am a salary earning employee and not an owner. As such, I live within the same financial restraints as any other working parent on a moderate salary, and believe that I have a good understanding of the issues facing working families.

The Work Choices Legislation will almost certainly have an impact on our industry, as well as on other labour driven industries.

Although at this stage the jury's out on what direct effects it will have on our particular industry, early indicators are that competition, industry pricing and contract retention are the most significant factors affecting us.

We see a very real risk of wages and conditions being used as a tool by some companies to be more competitive when quoting for cleaning contracts, with the recent letting of a Defence cleaning contract being somewhat an example of this (although this was prior to the implementation of the legislation).

It is true that some companies, ours included, are concerned by the Work Choices Legislation, but most employers I've spoken to are also seeing it as an opportunity for a change for the better for employers and employees.

We will be closely watching what happens within our industry over the next 12 months, and will to an extent be relying on the Fair Pay Commission, the industry bodies, the unions and our clients to support employers that do the right thing by their staff.

Within our company, there have been no job losses, no loss of work hours, and no reduction to wages for any employees.

Responses from clients thus far regarding increased costs have been positive, which will ensure that no adverse changes are made to any employee's hours, wages or conditions in the immediate future.

Since the introduction of the Work Choices Legislation, we have seen the Fair Pay Commission hand down across the board wage increases for cleaners ranging from around 4.95% to 8.1%, with the gap between full time and part time cleaners decreasing.

We have long argued that the basic wage for a full time cleaner was not enough for any family to live on, yet have considered part time rates, usually enjoyed by people working a second job for lifestyle reasons, to be too high.

Prior to Work Choices, the rate for Full Time day cleaners was \$14.45 per hour. This has increased to \$15.62 per hour – an increase of 8.1%

Permanent Part Time night cleaner's rates increased from \$17.58 per hour to \$18.75 – an increase of around 6.65%

This is a significant change to the dynamics of the Award wage pay table, and is something long overdue that the unions, or any industry body has ever managed to achieve in the past.

Having read several of the submissions regarding this committee from other interested parties, it seems to me that the survival of each particular organisation is the key motive in everything they have to say, with the interests of their fee paying members being nothing more than a tool to further their own cause.

The Award system has long needed an overhaul, with many Awards being so difficult to interpret that industrial lawyers struggle to follow them.

How is an Award fair when the employee, the worker and the union find themselves arguing in an industrial court over interpretations of that Award?

When an Award dictates entitlements based on what an employee's usual wage is, accurately quoting for work that contains weekend components is virtually impossible. Situations such as this can cause an employee who would attract a higher weekend penalty to not be considered for overtime shifts should they want them.

Awards should be easy to follow, and have no loopholes for anyone to exploit.

If we had a system that was clear cut and written in black and white, disputes over entitlements would rarely occur, and bad employers would be easier to identify.

The current Award and taxation systems actually hinder a person's ability to regulate their income:

The Minimum Engagement clause in our Award makes it illegal to employ someone for under 3 hours per shift. This can be too much for a working person looking to supplement their income. A person whose regular employment is considered low could earn an additional \$401.40 per fortnight by working only 2 hours per night, Monday to Friday – but the Award does not allow this.

Overtime and Second Engagement clauses in the Award impede an employee's opportunity to increase their income, by making all work undertaken over 8 hours per day a "second engagement", which not only attracts a higher tax rate, but also creates an administrative burden with an employee basically having more than one employment history, each with different start dates, pay rates, tax rates and leave entitlements.

The Work Choices Legislation will allow unhindered, mutually beneficial negotiation between employers and employees, without an ancient and unintelligible Award clouding the water. It will give employers more freedom to better look after their employees, without the risk of prosecution for unknowingly breaching an Award.

There is a severe unskilled labour shortage in Canberra, due to low unemployment, low interest rates and a healthy economy.

Cleaning and other "unskilled" industries struggle to find reliable and honest workers, so why would any employer deliberately alienate his staff by taking away entitlements and reducing wages? It's not as though they have hundreds of quality people lining up to fill the position.

I found ACTCOSS' submission to be almost unreadable, with the entire document being so long winded and riddled with words that no one besides a lawyer could understand, that I wonder how they could ever truly relate to the very people they are supposed to be representing.

Quoting statistics from 1995, and pointing out that part time workers actually earn less than full time workers (I wonder how long it took them to figure that one out!) is of no benefit to anyone, and I found it difficult to find anything in it that actually related to the Work Choices Legislation and its effect on working families.

I do however feel compelled to comment on the employment of people with disabilities, as ACTCOSS did.

Our company has employed people with mental and physical disabilities over many years. We have found the support from the organisation's responsible for placing these people to be almost non-existent after the first few weeks, with us as employers being left "holding the baby" in every case.

There is nothing in place to follow up and support the placement of people with special needs, so why are ACTCOSS pointing the finger at the Work Choices Legislation, when clearly there are numerous agencies that are charged with this responsibility?

The onus for giving people with a disability the opportunity to work should not be placed on the employer, and organisations such as ACTCOSS need to address the issue of support from the agencies responsible.

We as contract cleaners simply do not have the experience or qualifications to handle a person with a disability, and I can give you some disturbing examples of our experience in the past with people we employed who suffered mental illness.

I fail to see the link between ACTCOSS' referrals to people with a disability and the Work Choices Legislation, but it seemed pretty clear to me that whoever wrote that submission has never been in a van at 11pm at night, with a person who has soiled themselves and is having an "episode" that they had no idea how to handle!

The LHMU's continual referral to "low paid" workers in the cleaning industry is a crock – part time evening cleaners, with the same entitlements as any full time worker, earn \$18.75 per hour.

To quote average wages based on annual earnings, not hours worked (usually hours chosen by the employee) is misleading, and if you do the maths, the often quoted annual "below the poverty line" wages earned by the majority of cleaners, is actually based on the Award minimum of 15 hours per week.

Employers, employees, unions and industry organisations are all beating to a different drum, with the almost genetic mistrust and suspicion of each other forming a stumbling block for fruitful, realistic, reasonable and beneficial industrial negotiation.

The Work Choices Legislation will change that in that it will give responsible employers the leeway to move their industrial practices into the 21st century – rewarding productive, reliable and valuable employees where ever they see fit, and not allowing the less valuable employees to benefit from the hard work of others.

Contract cleaning businesses in the ACT have a myriad of imposts that restrict cash flow and stifle growth. Because they are labour based, they generally have high turnovers, many in the millions of dollars per annum. These big numbers attract big percentages when applied to payroll, and costs such as the Long Service Leave Levy, Payroll Tax, Worker's Compensation Insurance, Public Liability Insurance, Superannuation and other taxes, make it crucial for them to carefully watch their payroll. For every dollar saved on payroll, they are saving anywhere up to a further 50%, so is it any wonder that some employers constantly look for ways of cutting hours and wages?

Our company has been deliberately stifling growth because we struggle to find staff and because it places a burden on our cash flow. It is a ridiculous situation that a business should avoid taking on new work because they're scared it might send them broke.

Tax bills in the hundreds of thousands of dollars that are more important to the ATO than paying someone's wages, over \$300,000.00 of OUR money in the hands of the ACT Cleaning Industry Long Service Leave Board, just in case we don't pay the entitlement years down the track, \$250,000.00 a year in employee super that has somehow become our responsibility, over \$120,000.00 a year in payroll tax to the ACT Government – money we pay for the privilege of having a reasonable sized workforce, workers compensation and other insurance premiums over \$200,000.00 a year – This is money that should be able to be used for business growth, staff training, health and safety, environmental initiatives and maybe even,

God forbid, a little profit for the people who really do work 16 hours a day to keep this difficult business running!

Address these issues, make it worthwhile for people to become employers, assist them and encourage them and place the value on them that they deserve, and the Work Choices Legislation will do its job and benefit everyone. Cashed up, financially healthy companies can afford to look after their staff better than those that are fighting a losing battle just trying to survive.

There was a time when I would seek advice regarding wages and entitlements directly from the LHMU, to be certain that I was doing the right thing, and that staff were receiving their correct entitlements.

Over the past few years, I have found the LHMU to be more and more unapproachable, and they have made it clear that they intend to make life very difficult for companies such as ours who refuse to sign their "Code of Best Practice" document.

The LHMU are endorsing signatories of the "Code" to potential clients, regardless of that organisation's past industrial record, yet protesting against and slandering on their website our company, in spite of our unblemished industrial record, excellent staff retention and previous good relationship with them – and they say that we're unreasonable!

We don't want to rip off our staff, have unsafe work practices or have issues with the union. We don't want to be millionaires, have servants and drive around in flash cars – we simply want to be able to run an honest business with a fair and reasonable industrial model that we can all use. We want to be able to compete on a level playing field with our competitors, be able to sleep at night without wondering whether or not we'll be in business tomorrow, and have just a little respect and recognition for what we do in employing people, contributing to the community and the economy and generally having a go!

Thank you for the opportunity to make this submission

Yours sincerely

Scott Norris
General Manager
Norris Cleaning Company Pty Ltd

Following an article in the Canberra Times on 6.12.06 titled "Campaign to Protect Invisible Workers", I felt compelled to write a letter to the editor. This was followed by a response and a further published letters of which copies are below:

This Letter was published in the Canberra Times in December 2006

In relation to Emily Sherlock's "Campaign to protect invisible workforce" story (CT 6/12/06) I would like to comment from the perspective of an employer in the Canberra cleaning industry from a business that has been going for nearly 40 years.

"Invisible" can be used often to describe cleaners that are meant to be at work and aren't, who have signed off at 10pm, but are gone at 8.30pm - or the cleaner that hasn't completed their job properly, forgot to set an alarm, didn't lock a door or didn't bother to turn up at all. All of these things placing his employers contract and the jobs of his fellow workers in jeopardy.

If a cleaner did work 16 hours a day, as you claim - they would earn in excess of \$70,000.00 per annum - hardly the wage of someone suffering poverty.

The unions continue to claim that cleaners are earning below the poverty line - which is of course true given that most of them work 3 to 4 hours a night by choice. If a cleaner chooses to work two 4 hour evening shifts on part time rates, they would earn \$39,000.00 per annum, and if they worked overtime or extra on weekends or public holidays they would get 2 or 2.5 times their usual hourly rate.

Compare these wages and conditions to the poor kid that serves you in a department store, at McDonalds or who sits behind a cash register at a service station for hours on end - THEY are the worker's who are the most underpaid and exploited.

People clean at night because it suits them, the unions are making a noise because they are becoming irrelevant, and are targeting contract cleaners because there is a connection between the ACT Labor Government, office buildings and cleaning contractors.

(If you want a real story, come and spend a few days with us "American Chopper" style - then maybe think about writing something with a degree of insight and truth about it!) **This paragraph was omitted from the letter published.**

Scott Norris
General Manager
Norris Cleaning Company Pty Ltd

This letter was published on 24.12.06 as a response to my letter, and was supposedly written by Lena Sukloska:

Dirty pool

Scott Norris, the general manager of a cleaning company, apparently thinks that cleaners are lazy, careless, don't do their work properly, leave early, choose to work short shifts, and choose to work at night (Letters, December 9).

I hope readers now understand what we cleaners are up against. That's why we have launched the Clean Start campaign and why we are determined to force owners and cleaning contractors like Norris to take responsibility for the way cleaners are treated.

We work damned hard for not very much money at all. We want longer-hour jobs so that we are not rushing from building to building to scratch a living together. And we want the time to do our job properly so that at the end of the night we can look at what we have done and take some pride in it.

Every line of Norris's letter shows his contempt for what we do despite the fact that he couldn't earn a dollar as a contractor if it weren't for the cleaners he employs. We want all low-paid workers to have rights at work. I'm a cleaner and we are sick of being treated like dirt by people like him. Clean Start is all about getting cleaners like me a bit of respect.

Wake up Scott Norris. This is Australia and here we treat people decently.

Lena Sukloska, Narrabundah

This is my response which was also published:

Friday, 5 January 2007

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Letters to the Editor

A good employer

Lena Sukloska is kidding herself if she truly believes that as a cleaner she works harder than anyone else, and gets paid less (December 24).

She reinforces my point about bad employees costing employers money, contracts and reputations, and I agree that we can't survive without good staff. The problem is getting good staff. Norris Cleaning Company has a workforce of over 120, most of them great people and good workers, and many having over 10 years service with us. Would they stay if we held them in contempt as Sukloska claims?

We have never had an industrial dispute, been found to be in breach of any workplace, safety or other legislation and have never unfairly dismissed anyone (although the union thinks sacking someone for stealing is unfair!).

I have been physically attacked, almost run over, had my car vandalised and the lives of my family threatened by people that I gave a go to (against my better judgment in many cases). I have been stolen from, lied to, ripped off and made to feel like a criminal by ACT Workcover after an employee staged a workplace injury to make a false claim against us.

Where are my rights? I am aware that this is Australia where we "treat people decently", but it's a two-way street, and as long as people like Lena Sukloska, the unions and the Labor Party treat employers as greedy capitalists, there can never be fairness.

Sukloska's reference to the Clean Start campaign makes me wonder who really wrote that letter.

I respect every one of my honest, hardworking staff, but have no respect for liars, cheats and people who rip off the system and abuse our trust.

The unions are a dying breed, and they need the "bad" employees to stay in business. What employer in their right mind would sack an employee who does the right thing?

Lena Sukloska wants "respect"; yeah, well, so do I! Ask any tradesman how he gets treated when he's working in a building during the day, or the plant guy, the shop assistant or the person at the rego office. We all cop it every now and then, and sometimes for something mind-numbingly stupid that someone else did. It's life, Lena, it's Australia and it has always gone on, but at least in Australia we have a choice if we don't want to cop it, we can quit, get another job, go on the dole or become a union rep. In some countries you have no choice.

Scott Norris, Norris Cleaning Company

These are two very different responses to my letter of 5 January 2007:

Tuesday, 9 January 2007

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Small business has earned the right to a little more respect

Letters to the Editor

Scott Norris's letter (January 5) summarises many problems facing small business in the ACT and Australia generally.

Well may he ask where his rights are; employers today have very few.

They are at the behest of a myriad of territory and federal government departments, all keen to ensure the obligations of their particular arm of government are being met and all assuring us of their importance in the scheme of things.

Employers like Norris Cleaning should be held in high esteem by governments and unions alike instead of being treated as a kicking post.

Employers create the wealth that feeds employees and the tax office. Without them governments are impotent.

Any business that employs 120 people has both my vote and my sympathy.

Such an enterprise is highly exposed to the risks facing any business of that size.

These include unsympathetic banks, potential bad debts, not to mention interference from governments and unions alike.

It would be my guess the proprietors of Norris Cleaning are in hock up to their eyeballs in order to support a business of that size and wondering sometimes whether it is all worth it.

Scott Norris's comments should be a wake-up call to the ACT Government and the respective union in this instance.

They should treat employers like Norris with a bit of respect, something an employer of 120 people richly deserves.

Go Norris, Australia needs more employers like you.

Graeme Camage, Swinger Hill

Not so clean record

In response to Scott Norris's complaints about the current industrial climate and slating of the ALP and the union movement, perhaps he needs a dose of his own medicine and to spend a couple of months in the building industry as a labourer or perhaps a room attendant in the hospitality industry.

While you might espouse to this community a "clean sheet" regarding health and safety or worker entitlement issues, there are thousands of your fellow Canberrans who are not so fortunate.

There are two families who have lost loved ones in the past 12 months to workplace safety breaches and, I suspect, hundreds more who have had their employers "steal, lie and cheat" them out of entitlements since the Coalition's new WorkChoices legislation took effect (and that's not even counting those who were duded before that).

What you have done, though, is demonstrate to me why Norris Cleaning will never get my business.

Glen Hyde, Hawker