

13 October 2021

Select Committee on Job Security
Department of the Senate
PO Box 6100
Canberra ACT 2600

Via Email: jobsecurity.sen@aph.gov.au

**Senate Committee on Job Security
Response to Additional Written Questions**

Dear Chair

We refer to the additional written questions received on 6 October 2021 in relation to our appearance before the committee on 15 September, 2021. Provided below are Ventia's responses to the questions, which are provided in the context of our Unify Services contract with NBN Co.

- 1. When engaging Primes, do you provide any guidance or set any expectation around what proportion of the rate of pay the Prime can withhold from the technician?**

No.

- a. If yes, what is that amount?**
 - b. If yes, how is it enforced?**
 - c. If no, how do you ensure that Primes aren't withholding unreasonable sums from technicians?**

These are Commercial-in-Confidence contracts, so we are not privy to the rates that subcontractors pay their secondary subcontractors. We do perform a Building Code Compliance check prior to engagement, which validates that subcontractors are paying their employees correctly.

- 2. How many notifiable incidents have your subcontractors suffered over the last five years?**

The Unify Services contract has not had any reportable incidents to Comcare.

- a. **What proportion of them were direct subcontractors, and what proportion were subcontractors engaged through Primes?**

Nil.

3. **How many safety incidents which weren't notifiable incidents have your subcontractors suffered over the last five years?**

The Unify Services Agreement has had 11 project related safety incidents, across both our own employees and subcontractors. More than half of those incidents involved risks arising from the conduct of members of the public towards our employees and subcontractors.

- a. **What proportion of them were direct subcontractors, and what proportion were subcontractors engaged through Primes?**

45% direct subcontractors; 55% secondary subcontractor technicians

4. **When asked about how NBN Co monitors the pay and conditions of NBN technicians, NBN Co said at the hearing:**

"I would say that we work tirelessly to ensure that our contracts are strong and that people are paid fairly."

Please advise in as much detail as possible:

- a. **How NBN Co ensures that you pay your subcontractors (including those engaged by Primes) fairly.**

We provide a Statutory Declaration to NBN Co monthly that confirms Ventia's subcontractors, suppliers and employees have been paid money due and payable.

- b. **What specific guidelines or expectation NBN Co provides around the rates of pay NBN technicians should receive?**

NBN Co does not provide guidelines for secondary subcontractors as these are commercial agreements.

- c. **What specific guidelines or expectation NBN Co provides around terms and entitlements NBN technicians should receive?**

As above.

- d. **What specific monitoring or audit actions NBN Co has engaged in with respect to pay and conditions for your subcontractors (including those engaged by Primes)?**

Our agreement with NBN Co provides NBN with audit rights of its contract with us, which are exercised from time to time.

- e. **What specific enforcement actions NBN Co has engaged in with respect to pay and conditions for your subcontractors (including those engaged by Primes)**

None.

5. **If subcontractors refuse tasks allocated to them, is this recorded in any way, and does a record of refusing tasks influence the allocation of future tasks?**

Subcontractors provide their own availability to Ventia based on Ventia's forward-looking schedule. Subcontractors are able to refuse to take tasks on any given day and remove their availability. As long as the process is followed there is no impact on future task allocation.

6. **Where a task is allocated directly by NBN Co to a technician by the ServiceMax app, do you still take a margin of that rate of pay?**

Yes.

- a. **If yes, how does the margin compare to what you would take if you had been responsible for allocating the workflow?**

These details are Commercial-In-Confidence

7. **Mr Harwood said with respect to negotiating rates of pay for subcontractors:**

"The rates are set by negotiation with each of the contractors on an individual basis. We enter into a negotiation with them. The way it starts out is that we provide a rate card to the contractor. The contractor then has the opportunity to either accept those rates or come back and discuss those rates or particular rates with us."

To clarify:

- a. **Are subcontractors able to bargain with Ventia collectively?**

No, commercial agreements are in place with each entity. Every subcontractor has the ability to negotiate their commercial agreements.

- b. **Do subcontractors engaged through Primes have any ability to bargain with Ventia directly?**

No. Their arrangement is with the Prime.

- c. **Has individual or collective bargaining ever resulted in subcontractors successfully receiving a higher rate of pay or superior conditions?**

Commercial In Confidence – Yes with respect to individual companies.

- d. **Please provide examples.**

Commercial-In-Confidence.

- e. **Is it common or uncommon for subcontractors to be successful when they attempt to negotiate a higher rate of pay? If possible, please provide a rough proportion.**

Commercial In Confidence - Not Uncommon.

8. **Mr Harwood said with respect to claims by subcontractors that they are not paid in circumstances where a job cannot be completed:**

“The people who are completing the job obviously do get paid for that. If also there's, by way of an example, not in attendance for a customer, we still pay the contractors for that, and that still flows through to the contractors. So, for all works completed, and in many cases work hasn't been completed, there is still a payment that flows through.”

To clarify:

- a. **Does Ventia pay subcontractors in full for any job left incomplete due to circumstances out of the technician's control? If not, what is the policy?**

Ventia's subcontractors are paid for works completed at Site or 'Not In Attendance' if a 'truck is rolled' (ie: the job is dispatched) and the works cannot be completed due to no fault of the subcontractor.

- b. **Does the same policy apply to subcontractors engaged directly by Ventia, and those engaged through Primes?**

We are not privy to this information; it is a Commercial-In-Confidence agreement between a Prime and its contractors.

9. **The Committee heard evidence from numerous contractors that even with the enablement fee, their average pay is approximately \$2,000 per week. Prior to the enablement fee, their average pay was less than \$1,000 per week.**

That is before contractors have to pay their own costs including superannuation, paid leave, workers compensation, insurance, fuel, tolls, equipment, vehicle maintenance and training.

Is that consistent with your understanding of what its subcontractors earn? If not, what is the average pay for your subcontractors?

We are not privy to this information as it relates to a contractor's whole business. Many of Ventia's subcontractors have more than one client, or work across more than one industry.

10. **Have you ever rejected an application by an NBN technician to subcontract directly for your company, because they had not been released from their prior arrangement with a Prime?**

No.

- a. **Or because doing so would incur a fee payable to a Prime?**

No, we are not aware of any of these arrangements.

We thank the Committee for the opportunity to participate in this Inquiry and hope our responses will assist in the development of the final report.

Yours sincerely

Tim Harwood

**Group Executive – Telecommunications
Ventia**