

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON ACCREDITATION OF BUILDING PRACTITIONERS MET IN THE COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON TUESDAY 24 OCTOBER 2006.

Mr MITCHELL ROWLANDS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Harriss) - Welcome, Mitchell. We have found that being informal about this process has been productive. The proceedings are being transcribed for the committee's consideration at some later stage and make recommendations to the Government. It is important for you to understand that you are protected by parliament privilege; no action can be taken against you for anything you might say here in front of this committee. Outside the protection of parliamentary privilege is a different matter.

We have your written submission and members have had an opportunity to read it. By way of introduction, is there anything you would like to commence with and then we will open the session up to questions?

Mr ROWLANDS - Basically I would like to expand on a few things. I have some letters from Bryan Green that I think need to be tabled. I don't want to seem to be vindictive of Bryan Green but my personal view is that he has been very incompetent. As I have explained in that document, I personally believe that if he took an interest and did a bit of research on matters in his portfolio he would not have found himself in the predicament he is in. I can back that up with a letter that I wrote to him after my meeting, which I felt was a complete waste of time. I felt intimidated. I was under the impression that I was to have a meeting with him and his adviser. I walked into the room and there were five people in there. After receiving a letter from him, he only mentioned Mr Dowling as being present but there was Mr Pearce, Mr Hunt and some other person.

CHAIR - So that would be Robert Pearce and Graeme Hunt?

Mr ROWLANDS - Yes.

Ms THORP - Excuse me, Mr Chair, can we have some clarification here? Are you representing yourself, Mitchell? It is not TIBA?

Mr ROWLANDS - No, just myself.

I have some information here from the TIBA that I have been given permission to give to the committee. It is our submission to the KPMG inquiry. Are there any points you want to discuss with me on my written submission?

Mrs SMITH - I am interested to hear the reasons why you wanted to have a meeting with the minister and others. You mention here you had meetings in the past with Mr Pearce, Mr Hunt and Minister Green. I would like to know why you wanted to have meetings, the dates of those meetings and some chronology around that.

Mr ROWLANDS - The industry's biggest frustration - and this is so even now at the point where Mr Lennon has announced that the Government is going to take over accreditation - is that the same bureaucrats who stuffed it up in the first place are being brought in or moved to oversee the same thing again. I am very critical of Mr Pearce, a person who is on \$100 000 a year. This person has been promoted - admittedly he is not in this section now, but he has been moved - and there is no accountability. We would not be here if he'd done his job properly and consulted private people, sole traders, instead of the HIA and the MBA that had special deals done - and I can prove that. To get my accreditation I spent some four-and-a-half days collecting material that they required at the TCC. I started in the industry in 1982. I know for a fact that the HIA got the ministerial okay through Pearce that they could keep a file on each one of their members and submit for their accreditation to say that they were okay and credible. I think that was wrong. There were different rules for different groups and it was definitely an unfair situation.

Mrs SMITH - So it was on that basis that you facilitated a meeting with the minister, is that correct?

Mr ROWLANDS - That is right.

When I say 'government', I attribute some of the blame to the TCC itself because, once again, the person who was asked to draw up the criteria for the accreditation was in fact a person who was not experienced in the industry, so it was doomed from the word go. There were allegations made that they had consulted the industry and this person and that group, but the truth of the matter is that the MBA and the HIA were the only ones that were consulted. The HIA wanted to take over the accreditation - there was a conflict of interest, and they got their way. I have heaps of stories I could tell this committee of individual tradespersons. A trade certificate did not mean a thing when this accreditation system went through. I thought that was a major mistake and I pointed it out to David Diprose when he was in charge of the whole outfit right from the word go. I have had a couple of meetings with him to voice my opinion. I even took my trade certificate and said, 'There it is. It doesn't mean a thing'. I said, 'You have a person who renovated the Foreshore Tavern for \$6 million - he did one project. I have been in this industry over 27 years and he is accredited higher than I am'.

Mr WILKINSON - What was the answer to that?

Mr ROWLANDS - He just shrugged his shoulders.

Ms FORREST - So the trade certificate is equivalent to the AFQ3, isn't it, and they require an AFQ4?

Mr ROWLANDS - No, AFQ4 I think. As a group, the TIBA, through Phil Hutcheon, instigated, through the apprenticeship scheme, that the certificate is part of the apprenticeship now. So in the transition to be a builder, it is a lot easier for an apprentice to come out at this time. Before there was nothing. An apprentice had to finish his trade and then go back to school - it is all to do with tertiary. I am afraid that people who think that tradespeople will go back to school are just kidding themselves. You are probably looking at 10 per cent that would go back to school. The rest think they are just there to

earn money and that is all there is to it. So that is where you are going to get your decrease in accredited builders in the future.

I also think - and I know I am going off the line a bit here - that as far as the industry and apprentices are concerned, the assumption that we need to do this and we need to do that to get apprentices through is far off the mark. When I did my time, just the Housing department alone put on about 45 apprentices a year. We had the Education department, Telecom, all these other government departments and, at the end of the day, you had roughly 100 apprentices per year coming through the system. If you look back at the 1980s, there was an oversupply of tradespeople. I put this down as a major contributing factor to the predicament we are in now with the shortage of tradespeople because that was such an impact on the industry, to prop it up.

I suppose I will deal with my meetings with Mr Green.

CHAIR - In terms of building a bit of history to lead up to that, Mitch, is there any more detail that you need to share with the committee, other than that which you mentioned earlier when Sue asked questions about you meeting with Bryan Green and so on? Is there anything else?

Mr ROWLANDS - About the TCC, there is a very crucial point about the publication of the scheme we are supposed to follow. Every builder should have a full copy of the code of conduct, but there are no rules of the road for the driver's licence - and I will use that as an example. I think there were two people in the TCC who had copies of the so-called scheme that we were supposed to follow.

Mr WILKINSON - Are these the codes of conduct?

Mr ROWLANDS - No, this is the scheme. This is the one that I think David Diprose wrote. That was never made public. In our accreditation process, they handed out to us this code of conduct that we had to sign. It more or less said on the bottom the form that if we did not sign we did not get accredited. I rang up the TCC and said, 'I'm sorry, I'm not signing it because half of this code of conduct is in the Building Act'. It is regulations so we do not have to sign it. Anyway they just dropped that and let it go through.

Ms FORREST - Can I stop you there at that point because, I believe, there was a full code of conduct that was developed at some stage which was rejected or was never put into the public arena for people like you to see.

Mr ROWLANDS - We were never consulted.

Ms FORREST - Yes.

Mr ROWLANDS - It was just these couple of people. I am surmising that it was John White. I do not know whether David Diprose was still there, I am not sure.

Mr WILKINSON - Was it Milliner?

Mr ROWLANDS - No, I have never met Milliner - never laid eyes on him.

Mr WILKINSON - Peter Rayner?

Mr ROWLANDS - I do not know whether it was just before he came into it or just after - I am not sure.

Ms FORREST - They did have the full code of conduct which was never published, from what I can ascertain. There was this revised or shortened version that was put out and this is what I think you were alluding to, that you had to sign.

Mr ROWLANDS - Ten points or something.

Ms FORREST - Yes, I have looked at that myself. It is a document that is very broad and it does not provide hardly any measurable outcomes, so to actually sign it would be difficult.

Ms THORP - I think it is more important that we hear Mr Rowlands' opinion rather than yours on the code of conduct.

Ms FORREST - I am just asking if this is what he is referring to, though; is this the shortened version?

Mr ROWLANDS - Yes, that is right.

Ms FORREST - So you never actually saw the full version?

Mr ROWLANDS - We never saw the proposal or the draft, or anything. There was no discussion on it. We received this in the mail as per the normal attitude of the TCC - you just do it or that's it. I took offence to it because I have a real passion about this.

When I went to Bryan Green I could not believe how illinformed he was. I said, 'This is a major interest of the State', but when I asked him a question he would turn to one of these three or four other blokes. I just could not believe it. Getting back to your question, yes, it was those 10 or whatever dot points it was and I know three or four of those points were in the actual bill of regulations.

Mr DEAN - When you challenged them on the code of conduct, you are simply saying they accepted that and did not do any more about it, is that it? They just pulled back and dropped off?

Mr ROWLANDS - Who? The TCC?

Mr DEAN - The TCC.

Mr ROWLANDS - Yes, they just said, 'You either sign or you don't', and I said, 'No, I'm not signing it'. Anyway, I got my accreditation.

The bureaucrats have yet to be scrutinised about grossly deficient advice. I cannot emphasise how important that is. I know Mr Pearce is not there now, but the fact of the matter is that the team under him are still there and I cannot see how we are going to be better off.

The general attitude was, right from 2004, from Mr Pearce, and he has told me this personally on one occasion, and I have heard it from our group representative, Phil Hutcheon, that they realise they have made a lot of cock-ups but we have to work through it. This is the key thing; we have to keep working through and we have to keep it away from Kim Booth, right? I will be open with you; at the beginning of the whole fiasco I had a few dealings with Kim Booth because he was the only politician that took an interest in it. I have some documentation there from him about letters he has written to Bryan Green et cetera to let him know that there were a lot of people hurting out there, that there are tradespeople that could not get their licences. So I cannot emphasise enough on the recommendation that the bureaucrats have to be held accountable for the predicament we are in.

'Very poor feedback to members regarding issues from industry meetings': the group, meeting, which I attended one of, as an observer, was when John White, Rayner, HIA, MBA, and local government were all represented.

Mr DEAN - In relation to the Pearce situation, obviously Pearce knew that you had had close affiliation or close contact with Kim Booth.

Mr ROWLANDS - No.

Mr DEAN - He did not know that.

Mr ROWLANDS - No, I didn't disclose that; I didn't think that was appropriate. I did not want to be seen to be favouring one or the other. I was out to get as much information as I could, and I felt that if attitudes like that were present at the parliamentary level, it might filter down.

Ms THORP - Excuse me. When you refer to builders' groups meetings, are you referring to those meetings that are attended by representatives of DIER, the building industry, the TCC, LGAT and the Director of Building Control? Are they the builder group meetings?

Mr ROWLANDS - There have been a couple, and all I know is that it is called the builders' group meeting. It was incredible because we were over at Workplace Standards over there near Eastlands, and there were about 15 people in this tiny little room; you could hardly move. It was only the first time I went there, and I just couldn't believe that there were so many people. Also the fact is that in these group meetings - this is nothing, it just popped into my head and I will say it before I forget it - there were no engineers represented on that group board, and no draftsman or architect.

Mrs SMITH - Do you accept that they may have been invited and may have chosen, because of all the muddle, to stay away from all this?

Mr ROWLANDS - I know for a fact that the architects refuse to acknowledge the TCC; that was common knowledge. Whether that had something to do with their attitude, I don't know. As part of the scheme, there was supposed to be a council which was supposed to have a representative, and that was never followed by the TCC. When the first meeting

was supposed to be called, John White sent a letter to our representative on I think it was 4 October, or early October it was supposed to be.

Mrs SMITH - That was the joint industry council.

Mr ROWLANDS - Yes. That should have been formulated two or three years ago.

CHAIR - Back to the matter of the group that you have just referred to as the builders' group meeting, who convened that?

Mr ROWLANDS - Robert Pearce.

Ms THORP - The chair was Graeme Hunt, though. I have a copy of the meeting notes here.

Mr ROWLANDS - You've got meeting minutes, have you, because I was told there were no minutes kept.

CHAIR - Just so we can clarify that, what document have you got there, Lynn, to which you were referring?

Ms THORP - Just some meeting notes from one of the builders' group regular meetings, and it refers to Graeme Hunt as the chairman.

CHAIR - Can we have copies of that?

Mr ROWLANDS - Was he filling in?

Mrs SMITH - The date of it?

Ms THORP - This is meeting no. 8, 5 May 2004, so I gather there have been many meetings of this group while all the TCC stuff was being implemented.

CHAIR - Is that a document which we should have?

Ms THORP - I can't see any reason why not.

Mr ROWLANDS - You need to confirm, though, whether he was just filling in. I am sure that Robert Pearce was the chair when I was there.

Ms FORREST - They had meeting no. 8 back in May 2004, so obviously there had been a number of meetings up until then. Was this group set up to oversee the setting up of the TCC accreditation process, and has it continued since?

Mr ROWLANDS - It was set up to pass on opinions, but it turned out to be a meeting to fix up deficiencies that were being implemented.

Ms FORSTER - Is this group still in existence and still meeting up until recently?

Mr ROWLANDS - They would have had only one or two this year. As soon as the Bryan Green saga started, it was all canned and they haven't had one since.

Mrs SMITH - You would think that considering the action the Government has taken now that it would be fair and reasonable to say, 'No more meetings; start again', and then they will restart a new process. Is that a reason there haven't been any?

Mr ROWLANDS - You see, this is the trouble, we are never notified of anything. We would not mind if we were notified and told what was going on.

Ms THORP - Is 'we' the TIBA, or the industry -

Mr ROWLANDS - The industry. There is no communication whatsoever, only to the privileged few - the HIA, the MBA and the group from MBA Launceston, northern Tasmania. It sounds the same, but apparently there are two different identities.

Mrs SMITH - So how did you know the meetings were on that actually got you to Rosny, to Workplace Standards?

Mr ROWLANDS - I tried to get onto it.

Mrs SMITH - So you just heard through the grapevine that these things were happening?

Mr ROWLANDS - Through my industry. There was a group set up that was kicked off this board because they would not become an association. That was another restriction that was made by this - and I was told this came from Mr Pearce, this attitude. It is in my papers there and it would probably take too long to find it as you can appreciate, but it was a builders group. When the ruckus first started we had a rally down here on the Parliament grounds and a guy from Launceston, Kim Booth, was there and, to cut a long story short, they were told to either become an association or they would not be accepted. They said, 'Why shouldn't we become a number, we represent a group of people, we have these people on the books, why can't we have an input?' and the reason was given, 'We are not interested'.

That is another point, too, that is critical; there seems to be an understanding that this consultancy by the Government is through these groups. It is the same as our group, the TIBA, and I will be honest with you - it is a group of the committee that make all the decisions. They say that they have consulted the industry but it is just a smokescreen; they have not really at all. It is just an opinion of a select group of that organisation.

Mrs SMITH - You would accept it is very difficult with 2 000 accreditations to consult everybody so you have to have some structure to manage the process? They thought there were going to be 700 and there was about 2 000 so like a monthly newsletter that gave you information, allowed you feedback to an address, a PO box number or something like that, there are ways of passing information but to get industry groups together, how with 2 000 do you communicate to all of them to try to get them around a table if you don't take recognised groups?

Mr ROWLANDS - It depends on how seriously you want to take this whole matter. If I was starting off bringing in accreditation to a State I would just go through the phone book for starters and get the majority of the builders in the industry out of there.

Mrs SMITH - I come from the north-west coast -

Mr ROWLANDS - Well, they are not very happy up there.

Mrs SMITH - They accept that they have to be accredited, they accept that they are going to pay the money to someone down south to do all this work and if you ask them to line for a meeting they say, 'Oh, I have to make a living and they've added more cost to me. I'm not going to such and such a meeting'. So there are some who want to be involved and some who don't.

Mr ROWLANDS - That is exactly right, Mrs Smith, and I apologise for the industry. The whole trouble with our industry is that no-one is willing to get off their backside and stop earning a few dollars for the benefit of their future. I know that is a problem. The old stigma is: that other person will do it, why should I want to go? I understand where you are coming from and I agree that it is a major problem but everyone should be given the opportunity to make comment.

Ms FORREST - The group that you were talking about that you wanted to be represented within this group because they would not become an association, was that a group of just your average builders, for want of a better term, that were asking one or two people to represent their views in this? Who were you actually representing in that group that was not an association?

Mr ROWLANDS - It was formed at Launceston in Kim Booth's office.

CHAIR - Was that the Builders Collective?

Mr ROWLANDS - That is it - well done, Mr Chairman.

CHAIR - The northern group.

Mr ROWLANDS - That is it, the Builders Collective. I went through the phone book actually, that is exactly what I have just said, and that is how I became involved in it. Kim Booth wrote me a letter saying there was going to be a meeting about the deficiency in this act that was coming in and I travelled all the way to Launceston for that night meeting. About 35 people turned up for that and that is where it all started, and he was the only politician with an interest in the deficiency of the whole situation.

Mr WILKINSON - Paul has been asking questions probably more than anybody in any House in relation to it so I would have to challenge you on that because I know in the upper House Paul has been asking questions from day one, but that is by the way.

Mr ROWLANDS - Just to clarify that, perhaps Paul did do that but it was not common knowledge out in the public and I might not have understood that. As far as being publicly aware, it was Kim -

Mr WILKINSON - That's fine. I just thought I would clarify.

Mrs SMITH - Stop protecting your mate.

Laughter.

Mr WILKINSON - You did get off your backside and do something and if I can take you to those meetings because I think they are important and we have a lot of background information as to efficiencies or otherwise. It seems to me important that one you got off your backside and two you therefore went to the minister to have your meetings. Can I take you to those meetings? At the first meeting you had, what was said, what came about as a result of it, did you have another meeting, was anything expected to be done that wasn't done?

Mr ROWLANDS - Just bear with me, I have to get the correspondence. To shorten a long story up a bit, I had the meeting, I prepared for it with all these questions and I fired a few at him -

Mr DEAN - What was the date of that, roughly?

Mrs SMITH - He's looking for that.

Mr DEAN - Sorry.

Mr WILKINSON - It seems to be important in relation to what the Government did in relation to the act and matters like that.

Mr ROWLANDS - I was told by either Mr Pearce or the minister's Mr Dowling, I cannot remember who it was, that they were not interested in hearing what I had to say as an individual. If I wanted to be heard I had to become a member of the group.

Ms THORP - So your visits to the minister or at least your initial one were done as an individual builder?

Mr ROWLANDS - That is right. I managed to get a meeting only because I had correspondence beforehand.

This one is from Bryan Green and it says:

'Thank you for your advice for nomination to the building advisory committee'.

That was another farce too. Stuart Wilson's wife was appointed to that and Stuart Wilson is a shareholder in HIA and a committee member and I thought that was a bit of a conflict of interest.

Ms FORREST - Are you a member of a collective group yourself?

Mr ROWLANDS - Yes, we formed the TIBA. Phil Hutchinson was a committee member of the collective and that was asked to leave so Phil maintained his position on the group committee. He was told he had to form another organisation and that's where we got together because he had known that I had played a verbal part in the whole situation. That is how the TIBA started.

Ms THORP - How many members does the TIBA have?

Mr ROWLANDS - At the moment we have about 115 financials and 148 on the book.

Ms FORREST - That's an association then?

Mr ROWLANDS - Yes.

Ms FORREST - That's a constituted association so that is a group that will be listened to by the minister, are you saying?

Mr ROWLANDS - Yes. We have been accepted.

Ms FORREST - So your meetings with him have been as an individual not as a TIBA representative?

Mr ROWLANDS - Yes.

CHAIR - Can I suggest that we stay a little focused? Jim has asked a question and we haven't got through that yet so let's try to help Mitch with his submission to us.

Ms FORREST - Sorry.

Mr ROWLANDS - I want to say just one more thing regarding Lin Thorp's question. I would like to make you aware that HIA say they have 800 to 900 members but they only have about 250 actual industry builders.

CHAIR - How many?

Mr ROWLANDS - Two hundred and fifty but they said they have 900. They do have 900 members but they are plasterers, they are bricklayers, they are tilers, they are plumbing retailers, all that sort of thing. So that is just another bit of information.

This is to Bryan Green. This is from Justine Keay:

'I am writing to confirm a meeting scheduled between yourself and Minister Bryan Green to discuss issues you have raised in writing with John Dowling in relation to builders' accreditation.

The meeting is scheduled for 9 a.m. to 10 a.m. on Wednesday, August 11, 2004. It will take place in the minister's office, level 2, 110 Murray Street. Please do not hesitate to contact this office.'

Mr WILKINSON - So that was the first meeting you had, 11 August?

Mr ROWLANDS - Yes.

Mrs SMITH - Did you have any others or did you only have one?

Mr ROWLANDS - We only had the one.

Mrs SMITH - Why we are looking for a time, just so we can help you along -

CHAIR - Can we get Jim to continue along his line? I think he has the line of questioning.

Mr WILKINSON - So on 11 August you had your first meeting with the Government?

Mr ROWLANDS - That is right.

Mr WILKINSON - And you went along to that meeting?

Mr ROWLANDS - Yes.

Mr WILKINSON - What happened?

Mr ROWLANDS - As it says there, it was with the minister and Mr John Dowling. I walked in there and I had three others with me from memory. I cannot remember who one was but one was Graham Hunt and the other one was Mr Pearce. During that meeting I prepared these questions and you can see it was quite a bit of work. I am a very slow typist so this took me about three hours to formulate and that is what frustrates me too because my typing speed is not that good and the presentation. I do not know whether you want to have a look at some of the questions or do you want me to read them out?

CHAIR - Is that a document you would like to table for us, Mitch?

Mr ROWLANDS - If you like. It is just that that is the only copy I have.

CHAIR - We can get some copies before you leave, if you are comfortable about that. Again, it will be protected by privilege.

Mr ROWLANDS - Okay. That's fine. I can submit that then.

CHAIR - Thank you. Are the members happy with that?

Members - Yes.

CHAIR - Do you want to pursue that in detail at the moment?

Ms THORP - They are the questions you asked in the meeting and the responses you got?

Mr ROWLANDS - I have the responses here which, as you will see if you read, are just a spin, an absolute spin. I doubt whether he even answered himself.

CHAIR - Is there anything you want to refer to in those answers, Mitch, now while we are here?

Mr ROWLANDS - I have to find them.

CHAIR - Take your time. We have another 25 minutes with you.

Mr ROWLANDS - Here is the letter I sent to John Dowling to ask for a meeting:

'Previous to our phone conversation earlier this month re my effort to see the appropriate minister responsible for builders accreditation. As you have been briefed previously, I made efforts to see Minister Cox on this matter late 2003. I was refused and told I had to go through Mr Pearce, which I did, and met with him at Rosny Park late December 2003 for some three-quarters of an hour.

He informed me that he was to have an allotted annual meeting on the coming Wednesday. I spoke of my concerns from my list and he agreed that five of my concerns were relevant and he would get back to me. I never heard back from him. Previous to that I had had a meeting with David Diprose who gave me a Brendan Bowes' number to contact. However, he was on leave so I left a message for him to call me on his return. This was late 2003. To my astonishment, Mr Bowes returned my call during 2004.

I then made contact with some woman at your office who in turn passed me on to you to make contact. I wish to make a request to see Minister Green as soon as possible.

Topics of information - my concerns of restrictive trade as to earn a living; deals done by self-interest groups; grey areas that exist in the model as far as a small operator like myself; the non-competitive nature that will occur; general concerns that I need to pass on to the minister direct, or not through a manipulated version passed on to him by bureaucrats and public servants.

My apologies for the lateness in getting back to you.

Yours sincerely'.

Mr WILKINSON - That was the letter, you got the letter back saying, 'Let's get together on 11 August'. You went there with the list of questions that you have tabled and you got answers which were pretty generally, were broad. If you can't find them, Mitch, can you just give us an understanding of the answer that you did get and the conversations that were had in the meeting?

Mr ROWLANDS - This letter is from Bryan Green:

'Thank you for meeting with me, my adviser Mr Dowling, and Robert Pearce on the workplace standards.'

There is no mention of Graeme Hunt or this other person -

'I attach my response to the items outlined' -

These are the responses to those questions. The crosses I have marked are just spin.

CHAIR - Are you happy for us to copy that, Mitch?

Mr ROWLANDS - Yes.

Mr WILKINSON - Can you give us a broad overview of what took place, please?

Mr ROWLANDS - As I said, I put those questions to him. I was promised in the letter that I would have an hour - 9 a.m. to 10 a.m. - and I had about 20 minutes before I was shoved out the door.

Ms THORP - Sorry, the meeting was supposed to go from 9 a.m. to 10 a.m., you got in at 9 a.m. and you were out by 9.20. Is that how it worked, or were they late starting? I am curious.

Mr ROWLANDS - Here is my letter of 16 August 2004:

'Thank you and Mr Dowling for allowing me to address you.

In my letter of request I indicated that I would need one hour of your time. I understand the actual time allowed was 9.20 a.m. to 10.10 a.m.' -

Ms THORP - That is 50 minutes.

Mr ROWLANDS -

'Most of the time consisted of general conversation, which restricted my time in directing questions from the prepared notes. I will also voice my disappointment of the amount of advisers that you invited. I expected one in your position of making judgment on such an important issue would have one's self right up to date on the subject matter.

Finally, on leaving our meeting I had a feeling of failure. You had made up your mind and you were only listening to bureaucrats that told you what you wanted to hear. I will continue to pursue a fair and just and equitable path for accreditation.

Yours faithfully'

Ms FORREST - We've got the questions tabled and the responses. Was there anything that you felt that you asked - and I don't know whether you provided them with the written questions or whether you read them out -

Mr ROWLANDS - I read them.

Ms FORREST - Was there anything that you didn't feel was addressed at all in your inquiry?

Mr ROWLANDS - I started to read them out and when they saw how much depth I had gone into they said, 'We'll just take it off you, copy it and write back to you'.

Ms FORREST - Was everything answered that you had in those written questions?

Mr ROWLANDS - No. As you will see, I have put crosses in highlighter pen where they were absolute lies and some that was just spin and they didn't answer the question at all.

Mr WILKINSON - As I understand your summary of the meeting, if I can -

Mr ROWLANDS - Disillusion, in one word.

Mr WILKINSON - you posed questions to the minister, the minister didn't answer those questions. He sought advice prior to answering them.

Mr ROWLANDS - Exactly.

Mr WILKINSON - Or should I say, he didn't answer them spontaneously, he sought advice and then answered.

Mr ROWLANDS - He'd say, 'Graeme', or 'Robert'. I just couldn't believe that a person in his position would be so carefree over such an important matter. The bottom line was that the word around the industry was he just wasn't interested in it anyway. At the time there was a conflict between Judy Jackson's portfolio, as far as the insurance side of things go, and Bryan Green's portfolio, so one hid behind the other on different queries.

CHAIR - Any further questions to Mitch at this stage on that matter that we have just been discussing?

Mr ROWLANDS - I would just like to make you aware that the transition period finished, from memory, in 2004, which, to brief you, was the period of time in which you could receive a declaration from an employer to say that you had an input on that particular project or you could have final certificates, which were issued by councils. Certificates of compliance were non-existent back in the early days. Originally, in the request from the TCC, it was said that you had to go back five years and then they reduced that to three. Once again there was no notification. If you rang up and asked, you were told. So there were a heap of builders that were not informed of those things.

The other matter is accreditation of commercial builders - and this is my personal beef with the TCC. I have been accredited at level 1, commercial. In the document it says, 'The minister says that a person will not be disadvantaged' - that is the exact word used - 'by the implementation of the legislation.' On those grounds, I have written to the TCC on three occasions and said that I was financially capable, I had the necessary insurances and I had the knowledge and the experience to do a level 2 commercial project, which is 2 000 square metres, double storey. Commercial 1 is 500 square metres, single storey. I cannot see a difference really because the plans are all the same and you still have to have a full understanding of what is going on. You follow engineers' drawings, et cetera; there is no difference. I was refused because I could not submit three finished projects. I found that very disturbing because I was competent of doing it. Only yesterday I rang again because I heard on the grapevine that they are still doing the transition thing, which is illegal. I have written a letter to Mr Pearce, asking about the legality of this accrediting people, that the transition period is finished. The legislation stated that, as far as the commercial side of it goes, not domestic, in the transition period you had to have

all your insurances in place by July or June, whatever it was, 2004, which I did. I went out and got the minimum commercial defects insurance of \$50 000 which was \$530. I did not have a project to go on to, but that was the legislation.

I will have to go back again to my meeting with Bryan Green - and this is the biggest stuff-up that Pearce has made. During the accreditation for commercial you had to have what they called a 'letter of eligibility' from an insurance company.

Ms THORP - For structural defects insurance?

Mr ROWLANDS - Yes. There is no such thing, nothing existed and there was no document that was ever going to be put out by insurance. At that meeting I produced a letter from Mr Lowe from Aon. At the time there were only two insurers that would do it and one was just about on the verge of pulling out anyway. I informed him that there was no such thing. I handed this letter from Aon and that was the only win I had on the day. Graeme Hunt's and Robert Pearce's mouths just dropped open. Here I am with written evidence that their recommendation is deficient.

Ms THORP - Just so I have you clear, HIA deal Vero and they were offering their products to building practitioners through Aon . The requirement was that if people wanted commercial accreditation, they had to show evidence of structural defects insurance?

Mr ROWLANDS - That is right. Part of the requirement was that it had to be in place for you to go through the transitional phase, which meant that your past experience played a part in your accreditation.

Ms THORP - There were concerns about the availability of that insurance?

Mr ROWLANDS - There were not. They just continued on their merry way and I even rang Brendan Bowes up and told him, 'Look this letter doesn't exist, what are you doing?' - and I was getting into a bit of a panic and I thought, 'Well, I'm not going to be left out on the shelf, I'm going to pay the money and get my insurance'.

Ms THORP - Would that not simply be a piece of paper from the insurer saying, 'This person is properly insured'.

Mr ROWLANDS - They would not do it.

Ms THORP - The insurer would not give you the letter?

Mr ROWLANDS - No, there is no such thing and -

CHAIR - Just to make that absolutely clear, there was no such category of insurance available?

Mr ROWLANDS - No, the letter that was requested was non-existent. The insurance company would not give you a letter of eligibility.

Ms THORP - So the TCC were requiring evidence of insurance and they were saying, 'Go and get it from your insurer before we'll give you commercial accreditation'.

Mr ROWLANDS - That is right.

Ms THORP - And the insurance company would not provide that piece of paper which was the evidence of insurance?

Mr ROWLANDS - I will go back to the start. The TCC requested a letter of eligibility through Pearce.

Ms THORP - Eligibility through Pearce?

Mr ROWLANDS - Pearce instigated it, he formulated the whole business - so what I am saying is that the direction came from him. To get accredited at that period of time you had to have a letter of eligibility, which we will say from Aon to say that, 'Yes, I Aon insure Mitchell James Rowlands for any commercial work'. That was what a letter of eligibility was supposed to be. The fact of the matter was that it never existed. No insurance company - and there were two involved - would do it.

Ms THORP - That was Aon and?

Mr ROWLANDS - I am not sure who the other one was. I just know there were two. I was talking to Mr Lowe - I have a letter here from him somewhere.

Ms FORREST - So the structural defects insurance did not exist as a type of insurance? That is what you are saying.

Mr ROWLANDS - No, it did exist but you had to pay a premium to have it in place.

Ms THORP - So you could not just get a letter from the insurance company saying, 'We will insure this fellow in the future,' you actually had to be insured with them.

Mr ROWLANDS - That is right, insured and \$50 000 was the minimum.

Ms THORP - Of insurance you could get.

Mr ROWLANDS - Which was \$530.

Ms FORREST - Can I just clarify a point here. What you were being asked for was a letter of eligibility and what you were being told by the insurance company was that you had to have the insurance and not just be eligible for it. Is that right?

Mr ROWLANDS - Could you repeat that?

Ms FORREST - What the TCC are asking for was a letter of eligibility which means yes you are eligible to have this insurance because you have not got a criminal record or whatever. However the insurance company said, 'No, we won't give you a letter of eligibility, you must have the insurance to be given any sort of recommendation'.

Mr ROWLANDS - Yes. So, anyway, the plot thickens. So when I brought that to their attention, Pearce's mouth dropped a bit. I thought, 'Hello, I have a win here - I raised

their eyebrows'. The next thing was that at this next group meeting - of which there was no notification to anyone, only those people at that meeting knew about it - I addressed a letter to Pearce. A decision was made through the Director of Building Control, who was Pearce at the time, saying that my letter was correct, there was no such thing as a letter of eligibility and he had stuffed up. He said, 'I have directed the TCC to accept all the transitional applications and put them in the bottom of the drawer and when they get a project we'll just pull them out and then they go on their merry way.' That is where I questioned the legality of the whole thing because it was part of the requirement that you had to have the insurance input.

Ms THORP - But after it was pointed out that you could not get the eligibility -

Mr ROWLANDS - There was no comment made at the meeting with Green. They were just dumbfounded. They just took a copy of my letter and that was the last I heard of it. I paid the money -

Ms THORP - Can you remind me what the date of this meeting was again, please?

Mr ROWLANDS - 11 August 2004. Another thing too that really annoyed me was the fact that once again there was no notification to the industry, through the TCC who had all the accredited applications, that this was the case. So I actually paid \$530-odd for two years running before I even found out and that led to my letter to Pearce about the actual formation of information passing through because it just was not happening. Phil Hutchison and Don Cusick, who were our representatives on that board, were told that there were not allowed to pass on any information because it was so confidential, and they didn't want Kim Booth to hear about it. I wrote a letter to Mr Pearce saying, 'How can we as a group give an opinion if we don't know what's going on?', and I have the letter here. He said to me, 'Yes, I agree that your representatives can pass on to the committee our findings, but they are to be kept strictly confidential at that level'. That is what he said.

Ms THORP - Have you got anywhere in writing the letter that says eligibility for insurance is sufficient for the commercial registration, commercial accreditation?

Mr ROWLANDS - I've got the letter from Aon if that is what you want.

Ms THORP - My understanding was the insurance was required.

Mr ROWLANDS - That's right. I also point out, too, that I was told that if you do not take out the insurance, the people that try to buck the system and come underneath later on will not be insured. I will just read it - this is from the council manager at Aon:

I refer to our discussions in above regard to confirming that there is no way that a letter of eligibility can be produced for this class of commercial insurance. To our knowledge, there are only two insurers that offer this class of coverage, and neither will issue any documentation unless a proposal form is completed, forwarded to the insurer and an acceptance in quotation and the quoted premium ultimately paid.

Where a builder is applying for commercial accreditation but is unsure that they will undertake any work in the next twelve months, we have recommended that they effect a policy based on the minimum turnover acceptable to the insurers involved, which is \$50 000. However, the minimum premium through HIA insurance underwritten by Vero is still in the vicinity of \$500, and the minimum premium through Delta Dexter Corporation, who are the other source of this cover, is \$1 200 plus GST plus stamp duty.

The above information was conveyed to the Tasmanian Compliance Corporation, but the concept of the letter of eligibility seemed to become widespread throughout the building industry and, as a result a number of builders refused to pay the premiums invoiced after their covers were accepted by the insurers. This resulted in cancellation of the policies by the insurers and Aon being instructed to write to the Compliance Corporation and revoke any implied ineligibility afforded by the issue of the premium bought. Those builders who have had their policies cancelled due to non-payment will not be offered this cover in future.'

Therefore there is a breakdown, too, if the builder was led to believe that is all he required, and he went to do a commercial job, he was penalised because the insurer wouldn't insure him, because he was under the impression that he could get away with it. So that is it. Do you want that tabled or not?

CHAIR - No, that's not necessary now you've read it.

Ms THORP - The issue I was most interested in is where did Mr Pearce or the TCC say to builders who were applying for accreditation as commercial builders, 'All we require from you is a letter of eligibility?' or is that just something that got out there in the ether?

Mr ROWLANDS - No, that was actually in writing from the TCC.

Ms THORP - Right. So the TCC were under the impression that those kinds of pieces of paper were available?

Mr ROWLANDS - My understanding was that the direction came from Robert Pearce.

Ms THORP - So Robert Pearce told the TCC -

Mr ROWLANDS - He was formulating this whole scheme.

Ms THORP - Yes. Would it be fair to suggest that if a builder was insured for domestic building and then applied for accreditation as a commercial builder but was unlikely to undertake work in the next 12 months, then rather than force that person to be fully insured, they were suggesting eligibility might be sufficient, and then later found out you couldn't get it, is that what happened?

Mr ROWLANDS - I will give my answer to what I think you mean. It was my impression that Pearce and whoever his team were formulated this theory that they could get a letter, like a reference from the insurance company, without doing their homework and saying,

'Is it possible to obtain this?' They just surmised that it would be forthcoming, and they directed the TCC to request, as part of the accreditation process, that that had to be done. It wasn't until I had this meeting with Bryan Green; right up until then it was still common knowledge that that was the way everyone had to go, until I produced this. That is when this bottom-of-the-drawer thing took effect. There was no mail-out. There was nothing to anyone.

Ms THORP - When you say 'bottom-of-the-drawer', those people who put in applications to become commercial builders, those applications were not going to be activated because they were not doing any projects in the immediate future?

Mr ROWLANDS - That is right.

Ms THORP - Their applications were put to one side to be activated should they chose then to take on a commercial project.

Mr ROWLANDS - That is the logical thing to do, I understand that, but it was only a selected few that knew about it. There was no mail-out. It was part of the TCC's responsibility. They had an obligation to mail-out to all on their list about that situation.

Ms THORP - So that is basically your problem, if I am understanding you correctly? When this hiccup became apparent to whoever in the power structure, you thought it was simple courtesy to inform members of the TCC or accredited members about what was going on?

Mr ROWLANDS - Yes.

Ms THORP - So a communication breakdown?

Mr ROWLANDS - No, it wasn't communication. I think it was defective responsibility.

Ms THORP - Okay. You make reference in your submission to the amount of the accreditation fee and you are saying it is a tax. I am not trying to put words in your mouth, but are you implying by that that it is too much?

Mr ROWLANDS - No, that is over three years.

Ms THORP - Yes, but is that what you are suggesting, that it is too much?

Mr ROWLANDS - We are taxed enough in the industry. Basically I was trying to say that the industry is taxed enough as it is. To answer your question, yes; \$200-odd is the common thing on the mainland.

Ms THORP - You would be aware that under the Queensland Building Services Authority the cost for three-years accreditation is \$1 141?

Mr ROWLANDS - What about Victoria?

Ms THORP - Victoria is \$900.

Mr ROWLANDS - For three years?

Ms THORP - For three years. New South Wales is \$1 416; ACT is \$1 366.

Mr ROWLANDS - But that is in total?

Ms THORP - Yes, for three years.

Mr ROWLANDS - Don't forget that we have \$45 for each category under the base rate of what you apply for, so it goes up. We had a \$495 base rate, with \$45 for each category after that.

Ms THORP - Okay. So that is more than \$1 350 over three?

Mr ROWLANDS - Yes, that is only the base rate.

Ms THORP - Okay. Thanks.

Mrs SMITH - Mr Rowlands, would you accept that if the system was up and running well and everybody was feeling they were a part of the loop, would you consider that the fee for service would be adequate if everyone was happy? If you were getting plenty of information, newsletters, opportunities for professional development if you wanted to take it, a tribunal in place, a joint industry council in place to give advice to, and an accreditation process, do you believe that would be a fair and reasonable amount?

Mr ROWLANDS - No, because the electrical trades have their own licensing system and that is \$200-odd. What I will do is hand over that document I had from the TIBA. This might give you a better idea of the sort of thing we are looking at. A system that may be suitable for the building industry, with more benefits to the builders and the Government, is the electrical contractors registration body. This system is run now by the Department of Justice but formerly by the Department of Infrastructure, Energy and Resources. It registers and administers the compliance of electrical contractors throughout Tasmania. The licence renewal for 2006-06 was \$269.10, with no GST, and indexed yearly to the CPI.

In the licensed period, the contractor is monitored and inspections carried out at random. The contractor receives up to 14 contractor circulars a year with information for regulation changes and safety issues. There are also information sessions run as needed, with changes that occur in the industry from time to time.

The department has the power and conducts insurance, compliance audits, conducts audits for compliance of paperwork, carries out random inspections, fines the contractor for failing to comply with the regulations, requires the contractor to repair faulty work, requires contractors to carry out extra training, suspends a contractor's licence for non-compliance, and prosecutes in court for breaches of the act. This system has been in place since the late 1990s. While having some minor teething problems it appears to be working for the benefit of the consumer and contractor. It would take very little to set-up a parallel system within the Department of Justice for the building industry. It would require no more than two staff as other requirements already exist within the Department of Justice.

CHAIR - Mitch, anything just finally to wrap up because it's been a pretty thorough session?

Mr ROWLANDS - All I can say is that the TCC is not policing the industry. They are expecting builders to report other builders, but it is not our job to do in, as you might say.

My biggest concern is the home owner. I have suggested and written a formulated thing to fix the problem with home owner's warranty. The trouble is that Consumer Affairs, Roy Ormerod's department, is not updating the database as far as home owners go because they are only allowed to do two houses in 10 years.

The council is under obligation to approve a plan, providing all the information is there, within 41 days I think it is. That is where the conflict has come in. You have an obligation to approve a plan, and a home owner comes in and applies but he has done more than two, the information is not updated on the computer base regularly. So I have suggested that one way to fix this is for the home owner to go into the Department of Fair Trading, Roy Ormerod, to get an authority from the person who keeps the data. Then they take it to the relevant council and submit it with the plans. In that way, if he does not have the authority he cannot submit the plan. That will fix this problem but a blind eye has been turned on it and they don't want to listen to it.

CHAIR - All right. As I said it has been an extensive session. Mitch, thanks for giving your time to appear before the committee and share that personal experience. We understand that, as you said during the submission, the industry needs to help itself. You have put your neck on the line as you so speak and were prepared to be open and frank, and we appreciate that.

Mr ROWLANDS - I just hope you make a difference. I was very concerned at the start when you said you can only recommend to the Government. There is one more most important thing. I rang the Premier's office on Friday because I am most concerned about the Government taking over the accreditation, as I pointed out before. Peter Coad of the TBCITB has made a submission to take on the accreditation. As an individual I support it because it gets rid of the people who have made the stuff-ups. This man has a proven record with apprentices. It has been running for a number of years. I know he has a background in the industry. He was my boss when I was an apprentice so I know exactly where he has come from. At the time when the Premier decided to shut down the TCC this was not about, so I would like to table that if you do not have a copy of it.

CHAIR - That is the ITB submission?

Mr ROWLANDS - Yes.

CHAIR - We have their full submission and Peter Coad is coming in at 3 o'clock today.

Mr ROWLANDS - Good on him.

CHAIR - Thank you.

Mr ROWLANDS - Because I was most concerned. Allison at the Premier's office told me, more or less, that the decision has been made by the Premier that the department is going to get it. Her cable explained to you the do's and the don'ts about these submissions, but I can assure you there is a bit more to it than meets the eye.

CHAIR - Thank you, Mitch.

THE WITNESS WITHDREW.