

Assessment 3

Organisation Case Study – Timberwell Constructions

Introduction

Timberwell Constructions is a residential development company that builds apartment complexes in the Stanwell Council district. It employs 58 male staff from the area with different construction related trades and professions. The local market for these workers is highly competitive and Timberwell has had to employ 12 new apprentices in the reporting period because 17 employees have left, mostly to work for rival organisations or establish their own businesses. The company has increased worker pay rates and implemented a monthly rostered day off to try to retain its existing staff.

Fair Work Commission

One employee, Dennis McCabe, resigned from the organisation and filed a workplace harassment claim in the Fair Work Commission. His claim alleged he was discriminated against by his co-workers on the basis of his age. Dennis further alleged that because he was the only worker older than 50 years of age (everybody else is aged between 30 and 50) he was the target of humiliating age related jokes from the others.

The Fair Work Commission upheld Dennis's claim and ordered Timberwell Constructions to pay him \$4,400 in compensation. The Commission also ordered Timberwell to update its anti-discrimination policy and provide anti-discrimination training to all employees. The company has complied with the Commission's orders.

Australian Competition and Consumer Commission

Dennis also lodged a series of complaints to a number of government authorities about Timberwell's operations. On the basis of one such complaint, the Australian Competition and Consumer Commission (ACCC) instituted proceedings in the Federal Court against Timberwell Constructions for alleged anti-competitive conduct involving misuse of market power and exclusive dealings.

The ACCC alleged that Timberwell became aware that a group of local builders were planning to establish a competing development company. In response to this competitive threat, the ACCC alleged senior Timberwell executives told suppliers and contractors that if they were involved with the new development company

they would have their business with Timberwell substantially reduced or withdrawn.

The ACCC alleged that Timberwell engaged in this conduct for the purpose of deterring or preventing a new entrant in the development market in the Stanwell district, or substantially lessening competition in that market. The case is listed to be heard by the Federal Court in four months.

State Corruption Commission

Dennis made a separate complaint to the state corruption commission resulting in a public corruption scandal involving five Timberwell employees and two business partners. The complaint alleged that in order to push the company's development applications through the council approval process, the five employees and two external consultants offered bribes to council project officers. The state corruption commission has charged each of the five employees and one of the external consultants with corruption.

All five employees have been suspended without pay by Timberwell pending the outcome of the prosecutions. Timberwell has also terminated its partnership contracts with the two external consultants.

Department of the Environment and Energy

Dennis also made a separate complaint to the Department of the Environment and Energy. Following an investigation by the Department, Timberwell was fined \$200,000 for clearing 0.45 hectares of critically endangered ecological community coastal grasslands.

The cleared area was recognised under the State Planning Scheme as containing important flora and fauna attributes. Timberwell was also ordered to undertake an external review of its vegetation management plan, extend its audit program for contractors, and implement a rehabilitation plan at a cost of no less than \$440,000.

Public Relations Campaign

These complaints have drawn a great deal of negative publicity. To bolster its public image, Timberwell Constructions has issued a series of media release intended to demonstrate that the company is a good corporate citizen.

The first media release explained how an Environmental Impact Assessment performed on the company's Otford Park development site discovered that 60% of the site was populated by the rare wallum sedge frog.

The Assessment estimated the medium density residential development proposed for the site would irreversibly convert the habitat and render it inconsistent with the frogs' survival on the site.

Timberwell is working with Stanwell Council and environmental groups to devise a strategy for managing the proposed development of the site and the conservation of the wallum sedge frog.

The second media release explained that Timberwell Constructions is an energy efficient organisation. It included the following energy consumption table for the company in the reporting period based on calculation tools prescribed by the Australian Department of Industry and Science:

Fuel consumption from non-renewable sources	1.0 Gigajoule
Fuel consumption from renewable sources	0.5 Gigajoules
Electricity consumption	2.0 Gigajoules

Note: 1 Gigajoule = 10^9 joules

The media release also explained that Timberwell had implemented a program to raise its fuel consumption from renewable resources to at least 50% of its total fuel consumption within the next three years.

The third media release explained the Timberwell Constructions goes to considerable expense to engage local communities, perform impact assessments, and formulate social development programs for all proposed residential developments. These initiatives include Environmental Impact Assessments, local resident meetings, and local community development programs based on the local community's need for affordable social housing.

The fourth and final media release explained how Timberwell Constructions is working closely with Stanwell Council to comply with the council's proposed amendments to its Local Environmental Plan (LEP).

In response to the warming effects of climate change and the increased risk of bushfires the Stanwell Council proposes to amend its LEP to rezone specific areas in the Stanwell District as 'bushfire prone'. The LEP amendment is expected to take effect within 6 weeks.

Any new development in an area identified under the proposed LEP amendment as bushfire prone will be required to meet higher standards of bushfire safety including larger distances between buildings and land boundaries and the use of fire retardant building materials.

Timberwell Constructions has a development site in the Stanwell district that is located in an area that will be rezoned as bushfire prone under the LEP amendment. The new regulations could cost Timberwell as much as \$4 million to comply with. The company has engaged an external town planning firm to manage the development application and work with Stanwell Council so as to minimise these potential costs. The town planning firm is charging \$50,000 for their services.