

Australian building unions and their phoney 36-hour week campaign

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An agreement struck at the end of March between building industry unions in Victoria and Grollo, one of Australia's largest construction companies, reveals the bogus nature of the union campaign for a 36-hour week launched at the beginning of the year.

Rather than shortening the working week the Construction Forestry Mining and Energy Union (CFMEU) deal with Grollo perpetuates the present situation in the construction industry where building workers routinely work a huge amount of overtime.

At present the average length of the working week on most sites in Victoria is 56 hours—10 hours a day from Monday to Friday and an extra six hours on Saturday. While the new agreement would nominally introduce a 36-hour week, the reality is that building workers would continue to have to work substantial amounts of overtime.

Thus the actual working week, if one accepts the cap on overtime contained in the deal, is not 36 but 50 hours. Moreover, the agreement allows employers to use their workforce on 39 weekends throughout the year. Even then it is doubtful whether these upper limits would be enforced. When it is all boiled down, the result will be a few dollars extra for the hours now worked as overtime rather than ordinary time.

In return for this “reduced” working week, the unions have agreed to “avoid” situations that give rise to strikes and stoppages, including ceasing work in inclement weather conditions, rain or excessive heat, and allowing workers to be deployed from weather affected areas of a site to other tasks. Grollo agreed to an 18 percent pay increase—spread out over three years.

The building unions are attempting to parade the Grollo deal before their members as a great win but the construction company, for a rather small increase in pay, has obtained exactly what it was

after—considerable flexibility in hours and the unions' cooperation in minimising costly work stoppages.

Currently the company has \$2 billion worth of construction projects, either under way or in the pipeline, including the 80-storey Eureka apartment building in Melbourne's Southbank precinct and the \$500 million Queen Victoria Village retail and apartment complex.

An editorial in the *Sydney Morning Herald* praised the deal saying that it “gives Grollo what it wants in assurances of a strike-free workforce. That is worth a great deal to any big construction company facing the huge costs that cut in when there is the least interruption to a big project.”

The editorial went on to make the obvious point: the agreement “will not mean that all Grollo workers will work no more than a 36 hours week”. It concluded that the arrangement would mean a “marginal increase in the number of new employees” if even the working week is capped at 50 hours.

The agreement clearly has nothing to do with a shorter working week or providing more jobs for building workers as claimed by the unions. The CFMEU is seeking to maintain its long-standing relationship with major construction companies by demonstrating that it remains the most reliable agent for delivering whatever employers require.

In every capital intensive industry, the central issue is not so much pay rates but uninterrupted work flows, around-the-clock shifts and full flexibility in working arrangements. Over the past 15 years, improved technology and new construction methods have rendered the building of office blocks far less labour intensive than it used to be. Stoppages on a building site endanger tight schedules and have the potential to cost a construction company millions of dollars if

deadlines are not met.

Little wonder that Ford chieftain Jac Nasser, who was in Melbourne when the Grollo deal was struck, commented that there was no problem with a shorter working week in the car industry "as long as productivity improvements matched the needs of shareholders".

Anxious to sell the benefits to other major employers, the CFMEU state secretary Martin Kingham held a special publicity meeting and proclaimed the Grollo deal to be "a genuine attempt by an employer to improve productivity on their site by actually treating workers well".

Electrical Trades Union (ETU) state secretary Dean Mighell, addressing Bruno Grollo who was present at the meeting, added: "We need to make this a model agreement and we need to make this work for your company." Since then the building unions have begun closed door negotiations for similar agreements with 11 other large companies, including Multiplex, Bovis Lend Lease, Walter Constructions and Probuild.

The union campaign itself, which has been touted in the media as a revival of militancy, has been of a very limited character. From the outset, there has been little unified action, as union leaders have sought to reach a series of agreements with individual companies. A single one-day strike across the industry took place on February 7 as well as a series of protest stoppages on a small number of building projects. Bans were imposed on major sporting venues, such as the Australian Grand Prix and the new Docklands football stadium, that threatened to disrupt pending sporting events but were lifted quickly on the flimsiest of pretexts.

Even when the Master Builders Association of Victoria (MBAV) launched a lockout on March 15 shutting out workers on many sites across Victoria, and announced it would continue its action for three months, the unions failed to call any united action. The lockout was ended on March 22 only because the Australian Industrial Relations Commission declared an end to the official bargaining period and ordered both the MBAV and the CFMEU to cease further action. The very next day the Grollo deal was signed.

Prime Minister John Howard has condemned the Grollo deal, accusing the company of "compromising" too soon and saying it had forgotten its responsibilities to the "broader industrial community".

For some time the federal government has been critical of union-employer relationships in the Victorian building industry which cut across its drive to restrict the role of the unions and move to individual work contracts. For the most part, however, building companies have preferred to rely on the unions to impose the required conditions and productivity increases.

And the unions have delivered. Last year union officials struck a deal at Federation Square which set a new benchmark for the industry. If the project was kept on schedule workers received a productivity bonus equal to an extra 13 extra days off a year.

A joint union-management "Project Monitoring Committee" was established to oversee production. Workers had to work large amounts of overtime to meet the deadlines and accrue the promised days off. While the increased working hours, speed-up and reduced conditions have benefited companies, their effects have been lethal. Last year 13 building workers were killed on sites across Victoria.

The CFMEU leadership has a direct interest in imposing such deals and cutting costs as the union itself is a major investor in construction projects through its superannuation fund, C+BUS, which has a net inflow of almost \$250 million a year. The fund currently has over \$2 billion invested in building development, in some cases with the very companies with which it is negotiating. These include the Victoria Gardens project, the Westin City Square Hotel and the Lindrum Hotel where the building companies are respectively Multiplex, Grollo and Concrete Constructions.

One wonders why the CFMEU has called its phoney 36-week campaign at all. One factor is a pending union election. The incumbent officials no doubt feel the need to do something to boost their standing in the eyes of union members increasingly disillusioned with the erosion of conditions. The plummeting union membership rates in the construction industry— from 42.1 percent in 1992 to just 25.2 percent in 1998—say it all.



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