The French have a saying for it: “plus ca change, plus c’est la meme chose.” (the more things change, the more they remain the same.)

As union construction in North America continues to feel the ravages of a changing working environment and leaders on both sides of the bargaining table watch non-unionism rip through union ranks, the winds of change blow elsewhere. The conditions elsewhere are not all that different.

Nowhere is this more evident than among Australia’s Association of Building Lining Contractors New South Wales. Headquartered in Sydney the New South Wales association represents the full array of wall and ceiling contractors. These contractors, still largely unionized in New South Wales, the state which is considered the economic engine of Australia, are chaffing at the restrictions that their union agreements invoke.

To say that perhaps the winds of change are building up to gale proportions in Australia may overstate the case slightly. But things are definitely headed for a change. No one knows that better than the Association’s Executive Director John C. Allen. The Association’s members are exposed to the full onslaughts of the union’s industrial demands.

It’s important to note that Australia is now governed by the Labor Party. The country’s Prime Minister, Bob Hawke, is the former head of the Australian Council of Trade Unions. That situation is akin to having Dale Kirkland as U.S. President. It’s a condition perhaps not likely to augur well for any immediate Australian contractors’ ambitions to bring about any radical change in the status quo.

Allen appears to be well equipped to operate on behalf of the Association. Apprenticed as a carpenter, he later worked for sixteen years as a financial company executive. In the mid 70s, he joined the 43-year-old Association as Assistant to the now retired Guy Cook.

Inflation, apathy and the shifting fortunes of unionized construction, have had an effect on the Association ranks in recent years. When Allen joined the N.S.W. Association, there were five employed and more than 130 members. Today, the staff consists of two people and an average of 150 members and associates — out of a potential of 1,500 contractors in N.S.W. alone.

In response to the lack of union discipline, wildcat strikes, slow downs, etc., the construction industry turned to a national award in 1975. The impact of this multi-employer type nationwide bargaining has not been impressive. Australian master builders (general contractors) reflect the same readiness to obtain an immediate settlement at all costs and hang the specialty trades as has been noted in...
The Association of Building Lining Contractors N.S.W. with other specialist contractor groups, under the umbrella of The Building Industry Specialist Contractors Organization of Australia, are pressuring the federal government and the Master Builder movement, for the specialist contractors to have a greater involvement in building industry award discussions and improvements. On the last two occasions they were totally excluded. As a result the package which emerged was hammered out between the Master Builders movement, the A.C.T.U. and the Building Trades Group of Unions to the detriment of the specialist contractors fraternity. Yet, like their North American counterparts, they are the major employers in the building industry.

DIMENSIONS: I take it, John, that both sides wanted to end the strife and that’s why the national award was created in 1975?

ALLEN: Yes, there were some four or five major objectives that we were striving for. They were: 1. standardized award conditions across Australia; 2. develop better standards of industrial relations; 3. get a better grip on trade relativity and the practice of “catch up” demands—and I believe you have plenty of that in North America too, don’t you?; 4. create a dispute grievance procedure that would obviate drawn out stoppages; and 5. attempt to bring national specialty contractors into a more substantial involvement in future discussions on award increases and conditions.

DIMENSIONS: —and the results?

ALLEN: In the opinion of most people, I’m sorry to say that the answer must be, “no.” The problem was most severe in the states of New South Wales and Victoria. Some sections of the master builders movement still attempt to achieve industrial peace at any price, via the creation of special site allowances, further reduction in working hours, which is in contrast to the principles of the awards and without consultation with specialist contractors who ultimately pay the price for these agreements.

DIMENSIONS: How about the electricians and plumbers? In North America they’ve always had the reputation for being their own people, for going their own route, negotiating their own agreements?

ALLEN: They do the same in Australia. The electricians and plumbers aren’t included in the national award simply because they’ve had their own national award for years. In 1975, when Australia went for the national agreement, we had meetings all over in the belief that something for the future could be hammered out. Only Victorian plasterers are not part of the national award.

Today, we still have strikes, work stoppages over the meanest of trivialities, demands that create dispute situations in the first place. Really, the litany could go on.

DIMENSIONS: In the meantime, are investors shying away from construction?

ALLEN: To a degree. We thought that employees would find parity in the Conciliation and Arbitration Commission—you know, where grievances could be handled promptly and equitably. But that hasn’t worked either.

DIMENSIONS: Briefly, if it’s possible, sketch in the environment under which union contractors operate in Australia? What are the Limits, the problems, the unresolved issues?

ALLEN: That’s a rather tall order to describe a country’s labor relations in a sentence or two.

But essentially, the union condition here involves the commercial market.
Residential is still largely non-union although the union element is trying hard to tie residential contractors to the basic conditions of the award—without a great deal of success. Recent New South Wales legislation has given the power for the State Industrial Commission to set minimum contract rates in the domestic construction industry. Furthermore, the building trades group is running a test case to establish a precedent which will, if successful, flow on to all the specialist trades including plasterers.

And, yes, what you Americans call the “nip up” occurs here. The current rate for a plasterer is $9.47 per hour, or $359.86 for a 38-hour week, together with a travelling, mobility allowance of $32.50 per week.

From time to time, industrial tribunals award “special site allowances” in recognition of disabilities associated with the site itself and these can range from 50¢ to $2 per hour, and then there’s also the special rate for other conditions such as wet, hot, or cold of between 21¢-36¢ per hour. Add to that the multi-story allowance of between 21¢-69¢ and you can see why the minimum weekly pay runs well over $450 per week.

**DIMENSIONS**: How about so-called “hidden costs” of employment? That has to be counted too, doesn’t it?

**ALLEN**: Please keep in mind that I cited a 38 hour week. The work week was reduced in May, 1983, from 40 to 38 hours. Through a rather complicated formula of hours worked and paid for, the men accumulate a paid rostered day off every 20 working days. Obviously, it would have been much more logical to simply shorten the working day, but this was impossible, as precedents have been set in other sections of the industry, including the public service, the power industry and others. If employees can’t work due to inclement weather, employees must be paid for as much as 32 hours in a four-week period.

Any daily hours beyond the ordinary is time and a half, and weekend time is double except for the first two hours on Saturday which are time and a half.

The Award provides—backed up by state legislation—for 28 days paid leave consecutive, not including any public holidays. As a bonus, the pay is sweetened with a 17.5% annual leave loading, which is intended to compensate the workers for the fact that they are exposed to greater expense due to it being the peak holiday period of the year.

**DIMENSIONS**: It’s beginning to sound expensive. Are there any additional niceties?

**ALLEN**: Oh, yes. Employees are entitled to bereavement leave of between 2 and 10 working days per annum, depending on circumstances, unlimited jury service made up to full award pay by the employer, compensation for loss or theft of clothes or...
tools, long service leave of 13 weeks fully paid for after 15 years service, 10 days per annum public holidays and occasionally additional holidays which are declared by either the State or Federal Government, 10 days per annum paid sick leave and the recently introduced building union superannuation scheme where the employer pays $11 per week per man into a central fund. The employee pays nothing at this point of time, so obviously it is not a true superannuation but rather something on the order of a deferred payment scheme or pension scheme.

DIMENSIONS: Getting back to the work week, John. In North America, work week hours are often cited but they’re really little more than a mechanism for the start of calculation for overtime pay. Is that the case with your so-called 38-hour week?

ALLEN: Just about. Let me move to another cost area for the contractor. Now, there’s underway an illegal but nevertheless widespread further reduction of working hours to 36 hours per week, or a nine day fortnight. In the building industry agreement the unions have given a commitment to no further reduction in working hours. That agreement is due to expire in June 1986. Obviously it will be difficult for contractors to overcome the expected union demand for further reduction in working hours.

DIMENSIONS: But if you have these awards, the contract language, and the law - why hasn’t the thing worked?

ALLEN: Call it human nature if you want, but that’s the answer. Unions sign agreements which prohibit certain actions. But builders and developers remain susceptible to union demands for site allowances, reduction in hours, bonus payments. Contractors want industrial peace so these tactics sometimes work, but who ultimately pays the bill? You guessed it . . . the specialist contractor.

DIMENSIONS: There are no alternatives? No options? After all, you have the Australia court system?

ALLEN: From a practical viewpoint, there is little legal effective recourse. And the situation is worst in Sydney. If the union closes up a job, the contractor responsible for the creation of the problem or the dispute, is required not only for payment of the wages of his own employees, but for every person working on the site. This clause is included in most master builders contract documents in the commercial-industrial field.

DIMENSIONS: If the national award hasn’t done the job and strife is still an immediate problem, why keep it? How long is the award in duration anyway?

ALLEN: You’ve asked two questions there. For one thing, I didn’t say or mean to imply that the Award isn’t working. It has indeed established a standard for union workers and this is no better or worse than elsewhere. This community standard for the building industry, like it or not, is the law of the land. By and large it plays no part

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in the housing industry at all, as most workers there work on a total cash in hand sub-contract type of situation, where award conditions rates, or anything else, have no bearing at all.

The national award is for a two year period. Regrettably, with a two year life, there is an anticipation by the workers that on the expiration of the award there will be a pay increase. Australia currently has, in addition to the award, an automatic index of wages via the national wage case, the principle being that each six months the A.C.T.U. applies to the National Conciliation and Arbitration Commission for a wage increase based on the movements of the Consumer Price Index.

The last occasion this occurred, in November 1985, the Commission awarded a 3.8% increase to all workers, which was the total increase in the C.P.I. In the case of plasterers, this jumped their wages by 33 cents per hour, or based on the 38 hour week $12.54 weekly.

Other money amounts in the award will, upon application by the union, also be indexed. To give you perhaps an illustration of the cost pressures experienced by the industry, a survey was conducted in 1983 which showed that in a decade, labor costs for the average building worker increased by 350%, double the Consumer Price Index, but that on costs in the 1973-83 period, the increase was 687%.

DIMENSIONS: In North America, plastering has declined in favor of dry wall technology. Has there been a similar situation here?

ALLEN: There has been a similar problem in Australia, but currently there is an improvement in the wet plastering area, largely due to the New South Wales government’s policy of heritage and restoration work. The problem is that there are very few plasterers capable of producing the goods, as many of the real craftsmen in this section of the industry, have retired. Or they’re simply not around any longer.

We do have a tremendous labor shortage but due to the disastrous contractual rates, government requirements and other factors, the industry can’t afford to train new people. Yet-most will agree-it is an industry’s responsibility to train its own labor.

A dry lining three-year apprentice, in his first year, receives $240.00 a week and a plastering apprentice, that’s a four year term, in his first year receives $175.00 a week. With minimal government financial support coupled with industry apathy, there is no great enthusiasm for taking on plastering apprentices. This must change somehow, else there is a real danger that the dry linings industry will also lose its traditional work coverage . . . to the carpenters.

DIMENSIONS: In North America, plastering is enjoying a sort of renaissance with the introduction of exterior insulated systems. It takes a plastering skill to apply these new plasticized coatings. Has this kind of product taken seed in Australia?

ALLEN: That kind of product hasn’t really taken hold here, although a recently developed product from Perth, Western Australia, may change that situation. It is a product that is capable of producing eight times the productivity of the normal render set finish. So there is a distinct possibility that there could be a resurgence in the wet plastering area. The problem is where is the labor to apply it to come from, as an essential element is a good
trowel hand, and there are not too many about in New South Wales.

**DIMENSIONS:** As I understand it, you have a situation in the industrial-commercial sector where it's strictly compulsory unionism, sort of no ticket-no start. At the same time the residential market is still largely non-union. Is that about it?

**ALLEN:** Precisely. But let's be honest about it, regardless of our difficulties—and they are extensive—most workers need a union and for good reason.

You have unscrupulous employers who absolutely take advantage of workers and for this reason alone you'll always have unions. Right now the situation is turned around a bit harshly, but time and continued turning will bring it all back around again. The industry's labor force is totally out of control and until that position is reversed, our problems will continue.

There is the annual leave act and that covers the whole community supposedly. But the workers in the residential sector don’t even know what an annual leave is. They’ve go no award coverage, holidays—nothing of the community standard referred to earlier established by the award. Almost totally they work in a condition of straight sub-contract rates.

On the other hand, we’re more “closed shop” here than you can imagine; you won't get a job in Sydney or the other States in commercial-industrial work if you're non-union. Oh, unionism isn’t compulsory—unless you want to work.

That’s not right.

What about the fellow who conscientiously objects to unionism? Shouldn’t he have the right to say “no?” He can apply for an exemption, but imagine the reaction of his workmates. For someone wanting to work in the industrial-commercial sector, he really has no viable alternative. It’s “go union or else.” In fact, on most commercial projects, there is a large notice on the gate that if you do not carry what they call an “O.K. card” which is a union financial card, there is no point of applying for a job on the site.

It still comes down to the principle question of where does responsibility begin and end in protecting the fellow who can’t protect himself. There are some very good employers about, but
the unions take the view that the employer by definition, is oppressive and out to rip-off the workers. In most cases this is not true.

It’s got to change. There must be a balance because far too many authorities are contesting with each other to protect the worker. For example, under the Employment Protection Act of New South Wales which was assented to on 7th December 1982, if you dismiss an individual and you employ more than 12 persons, you are required to notify the State Industrial Registrar.

For the most part, if that employee has more than 4 years but less than 5 years service, he is entitled to severance pay of 8 weeks pay at his normal award rate. The State legislation is backed up by a Federal job security test case which was resolved in November 1983 which has similar conditions for people covered by Federal awards. Both acts have a sliding scale, for instance if the worker involved has more than one year but less than two years, his severance pay entitlement is 4 weeks pay at his full award rate.

DIMENSIONS: You know, many of the problems and obstacles that you’ve cited sound much like the situation in the U.S. and Canada only a short time ago. In North America now, union leaders are facing the grim task of re-thinking their mission—their need to provide something tangible and attractive to prospective union members.

It hasn’t been a pleasant assignment and the last few years have been particularly worrisome. Is it possible that Australia’s turn is coming?

ALLEN: Anything is possible, as the saying goes.

We’ve not yet reached the point where anyone is ready to throw in the sponge. And we’re really not all that different from the experience in North America, are we?

DIMENSIONS: So where does all this end? The more things change the more they remain the same.

ALLEN: Well perhaps that’s true, although the industry went through a severe downturn in 1983-84 but there is a feeling of cautious optimism for the balance of 1985 through 1986 and during October and November 1985 the industrial-commercial side of the industry really took off, primarily through the activities of state and federal government projects. The problem is again, the shortage of experienced and properly trained plastering tradesmen.

I’ve already emphasized the need to undergo changes. That’s inevitable. There are difficulties and challenges—but we’ll make the necessary adjustments and then go on from there. So will the unions. They’ll be around awhile, too.