



# ***NEWSFLASH***

## ***S.A CONTRACTING INDUSTRY WINTER 2009***

### **NILSEN (SA) (CONTRACTING DIVISION)**

For those of you that don't already know, Nilsen SA (Contracting Division) is now a Non-Union / Anti-Union company. After months of stand-over tactics and lay-offs Nilsen finally managed to pass a non-union agreement, locking their workers into 'Work-no-choices' legislation for the next 4 years.

The Nilsen agreement contains annual wage increases of 2%; 3%; 4% and 5% (\$34.34) in May 2012. The type of Income Protection and Redundancy schemes are unknown and at the discretion of Nilsen. Those employees remaining at Nilsen are unsure and have no say as to where their redundancy contributions will go or who will provide their income protection.

Nilsen went through the motions of negotiating a new agreement, but those negotiations were a joke. Nilsen took advantage of the current economic situation that resulted in a lack of work to apply pressure to their employees. Nilsen held a vote for a non-union agreement which got up by only 5 votes. It has been suggested to me by CEPU members that there were several discrepancies surrounding the voting process. Unfortunately the voting process was conducted under the evil Work-no-choices legislation so there is nowhere to contest the fairness of the voting process apart from the Federal Court which could cost the CEPU tens of thousands of dollars of members' money.

On a lighter note, members should always remember that even after taking the Nilsen agreement into consideration the CEPU has managed to grow wages from \$16.90/hr in 1999 to \$34.34/hr in 2012 an increase of almost 104% in 13 years (average 8% per annum) not including funded severance, income protection insurance and the 36 hour week.

### **NILSEN (SA) ENGINEERING SERVICES DIVISION**

Nilsen have attempted to pressure workers in the engineering services division to accept a similar agreement to that of the contracting division, but the workers have been steadfast in opposition. An offer of 4% per annum for 3 years was tabled early in the year but the offer was removed once the contracting division fell over and the offer reverted to the same as contracting.

CEPU members with Nilsen Engineering Services have successfully held the line against work-no-choices and now fall under Fair Work Australia.

Good outcomes have already been achieved for the engineering services division; they include a 3 year term, a decent increase to the living away from home allowance and a working underground allowance.

CEPU members are being more than reasonable and will accept the proposed agreement with a few tweaks, mandatory 'Fair Work Australia' clauses and the originally offered wage increase of 4% per annum. All Nilsen need to do is take off its ideological hat and an agreement can be finalised.

CEPU membership within the engineering services division is extremely strong as is the commitment of those members.

### **O'DONNELL GRIFFIN**

ODG have been running a similar line to Nilsen (SA) and for the first half of this year ODG have attempted to lock their workers into a 4 year work-no-choices agreement. Unlike Nilsen, ODG have been unsuccessful and must now bargain in good faith for a 'Fair Work Australia' agreement.

CEPU members at ODG have successfully held the line against work-no-choices, but ODG have been unwavering in their commitment to a 4 year term at Nilsen wage rates.

Unfortunately, for ODG to remain competitive in the Commercial area CEPU members realise that ODG will be unable to pay workers much more than the Nilsen deal. However, CEPU members remain staunchly opposed to a 4 year term.

The Industrial division of ODG does not compete in the commercial contracting area and CEPU members working in the industrial division strongly believe that the Nilsen wage rates do not apply to them.

Currently one agreement applies to both the commercial & industrial divisions. ODG have been threatening to separate the divisions into two individual agreements. CEPU members have voted for solidarity and will vote against separate agreements. The CEPU is seeking a combined, 3 year term agreement with separate appendices.



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### **BOFFA & RUSSO**

Until recently Boffa & Russo have had a dire lack of work and members have been using up their leave entitlements in lieu of redundancy.

Negotiations at Boffa & Russo have been rather more congenial compared to those at Nilsen or ODG and B&R tabled an offer early in the year of 18% ramped up slowly over 3 ½ years or \$36 per hour by November 2011.

However, B&R would not commit to the offer unless the competing companies agreed to similar arrangements. At the time the offer was made, all negotiating parties knew that the offer was achievable and affordable within the industry. Boffa & Russo have stated that the company will not push for a 4 year term like their competitors have, but due to the Nilsen agreement B&R will be unable to offer much more than the Nilsen wage rates or otherwise become uncompetitive. Negotiations are continuing and an agreement should be achieved soon.

### **ADELAIDE AQUA DESALINATION PLANT**

The CEPU, AWU, AMWU, CFMEU & MUA have been negotiating a “Greenfields” agreement with the McConnell Dowell/Abi group Joint Venture (MAJV) for the desalination project. The negotiating process was very protracted, with MAJV changing its mind at every meeting. Base wage rates for Electricians fluctuated from \$33.80 per hour to \$34.65 per hour and then to \$33.07 per hour. The CEPU was able to negotiate a decent wage rate for electricians of \$33.07 per hour plus \$3.00 site allowance plus \$50 per week ‘all purpose’ electrical licence allowance. However, the reality is, the MAJV ‘Workchoices’ agreement would apply only to MAJV and not to the Electrical contractors who would fall under their own agreements.

The CEPU position was that any agreement covering the project should cover all workers on that project and aspects of Fair Work Australia could allow that to occur.

Unfortunately the other Unions signed the Agreement with MAJV prior to the 1<sup>st</sup> of July and the death of Workchoices. The CEPU refused to sign the agreement and lock into three years of Work Choices three working days before the new Fair Work Act came into effect.

An offer has since been put to Adelaide Aqua to develop a proper ‘Project agreement’, but our offer has been ignored. The CEPU understands that electrical work conducted at the Adelaide Desalination Project will be labour only and under individual company agreements which means electricians may be the lowest paid trade people on site. This will be a recipe for disaster!

In our view, if the project is conducted in a manner similar to the negotiation process, then this will be a good project to stay away from.

### **OTHER AGREEMENTS CURRENTLY UNDER NEGOTIATION**

**Leighton Contractors** – 3 meetings have been conducted and bargaining is continuing amicably.

**Control Corp** – 1 meeting has been conducted with the company and 2 meetings with a NECA representative. No progress has been made so far, but this will change under Fair Work Australia.

### **FAIR WORK AUSTRALIA**

Under the new legislation, any company with a Union member must negotiate with the Union if requested. If your agreement is up for renegotiation, you should inform the CEPU as soon as possible. The Union can also be party to any agreement which covers Union members. If your agreement is nearly finalised, you must contact the CEPU as soon as possible so that the CEPU is able to issue the appropriate paperwork to be able to represent you under the agreement.