

Award Restructuring in the Road Transport Industry

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INTRODUCTION

Award restructuring and workplace reform have become central issues in Australian political, economic and industrial relations debate during the late 1980s and the early 1990s. They lie at the heart of competing ideological visions and policy prescriptions for the future of the Australian economy. The Australian Council of Trade Unions (ACTU) and the Australian Labor Party (ALP) federal government, for example, see award restructuring as an essential building block in their efforts to introduce micro-economic reform and reshape Australian industries and companies into efficient, internationally-competitive units, while at the same time ensuring that unions are party to the reform process and that workers enjoy the benefits of reform through better training, more interesting and better paid jobs (Willis, 1988; Morris, 1989). At least until April 1991, this shared vision enabled the Accord partners to successfully convince the Australian Industrial Relations Commission (AIRC) to implement their plans via the national wage determination system: after 1988, wage increases were only available to workers whose unions had engaged in the restructuring of awards, and the restructuring of awards was, in turn, designed to reduce the institutional barriers to the reform of workplace practices. The combination of centralised controls administered by the AIRC and decentralised collective bargaining inherent in the award restructuring system has been referred to as 'managed decentralism' (MacDonald & Rimmer, 1989) or 'administered flexibility' (Plowman, 1989).

The Accord partners' vision has its critics on both the Left and Right of the political spectrum. On the one hand, some of these critics condemn the very nature of this program and offer alternative grand schemes. The Left, for example, sees award restructuring as union collaboration in an employer productivity offensive which has little prospect of advancing worker interests (Bramble, 1989). On the Right, the role of the AIRC generally and award restructuring specifically are regarded as unwarranted intrusions by the state into private affairs, which are better dealt with by employers and their employees (Howard, 1990).

On the other hand, some critics have chosen to dispute the award restructuring strategy from within by advocating alternative agendas for reform in national wage case hearings and in negotiations over the restructuring of individual awards and workplaces. In particular, employer groups have sought (with some success) to expand the scope of award restructuring beyond the preoccupations of the ACTU to include issues like labour costs, working hours and other working arrangements (CAI, 1990; BCA, 1988; AIRC, 1989). These competing agendas for award restructuring have, perhaps simplistically, been described as the 'productivity enhancement' and the 'cost minimisation' approaches (Curtain & Mathews, 1990) or the 'two sides of the flexibility debate' (Bray & Taylor, 1991).

In this way, award restructuring has itself become a doubly contested concept. It is part of a broad public policy debate in which it is just one alternative method by which workplace reform, enterprise efficiency and economic competitiveness can be achieved. But it is also part of an industrial battle between workers, unions and employers over the content of awards and the most appropriate procedural and substantive rules to guide change in the workplace.

It is the second aspect of the award restructuring contest with which this paper is mostly concerned. Here, the contest has been fought in three main arenas. The first is national wage case hearings, where the outcome has been ambiguous. The AIRC has nominated a long list of agenda items which it sees as legitimate issues - falling within both the 'productivity enhancement' and 'cost minimisation' approaches - for determination under the Structural Efficiency Principle (AIRC, 1989; Curtain & Mathews, 1990, 64-6). The openness of the national guidelines issued by the Commission means that the contest will be fought out in the other two arenas: namely, the level of the individual award and the level of the workplace. Award restructuring will thus be conducted in a highly decentralised manner and outcomes will vary enormously

from industry to industry and from workplace to workplace - a suggestion which is confirmed by research published so far (for a recent review, see Curtain, 1990).

The aim of the present paper is to contribute to this body of research by using the case study method to explore the process of award restructuring in one industry at the level of the individual award and at the level of the workplace. The industry in question is New South Wales road freight transport, the award is the Transport Industry (State) Award and the workplace is the Port Kembla yard of Brambles Equipment Division. This approach and subject matter offers a number of potential benefits. The industry is an important one and is outside of manufacturing, where the main emphasis of both practice and research has been. The award is a state award, unlike the federal preoccupation of much work in the area, and it is one of the largest and most important multi-employer awards in the state of New South Wales. Finally, the combination of award-level and workplace-level analysis offers the opportunity to explore the capacity of the award restructuring system to effect real change.

The structure of the paper is as follows. The first major section provides some background to the road freight transport industry in New South Wales. The second section then details the process and outcomes of the restructuring of the Transport Industry (State) Award. The next two sections examine the impact of the restructuring of this award on the workplace: the third section by way of an overview of workplace activity in the industry and the fourth by way of a case study of the Port Kembla yard of Brambles Equipment Division. The concluding section seeks to summarise the findings and draw out their implications.

INDUSTRY BACKGROUND

The progress of negotiations over the restructuring of the Transport Industry (State) Award (henceforth referred to as the TISA) can only be understood against the background of the road freight transport industry in New South Wales. The following account of the industry background falls into four main parts: product markets, technologies and work organisation, the workforce and industrial relations.

Product Markets

The TISA covers companies engaged in road freight transport, which can broadly be defined as the conveying of goods from one place to another by road. However, road freight transport is actually an industry which comprises a number of quite diverse product markets which are fragmented according to three main features (Bray, 1990, Chapter 2). First, the type of carrier varies, the most important distinction here being between 'professional carriers' (ie. carriers who transport goods owned by someone else) and 'ancillary carriers' or 'mixed industry employers' (who transport goods they themselves own). Second, the goods being carried range from general freight (which includes dry goods, like timber or parcels) to various specialised goods (from refrigerated goods, liquids, ready mixed concrete or cars). Third, the distance goods are carried also varies, with the most important distinctions being between interstate, long distance intrastate and short distance. Although the bigger road transport and freight forwarding companies operate across a number (if not all) of these separate markets, the patterns of supply and demand, the nature of technologies, and patterns of industrial relations vary across these market segments.

Despite the many differences between the market segments of road freight transport, they share one characteristic: they are mostly price competitive. This competition comes from many sources, perhaps most important of which is the relatively low capital costs required to enter the industry. In the absence of effective regulatory provisions, which has been the case for most of the postwar period in New South Wales, there

are very few barriers to entry. This has meant that small firms and owner-drivers readily enter the industry in competition with larger established companies (Bray, 1990, 26-9). The patterns of price competition in road transport has been exacerbated in Australia by the emergence of large freight forwarding companies, like TNT and Mayne Nickless (Rimmer, 1970 and 1977). While there is continuing debate over the market behaviour of these large corporations in the freight forwarding market, there is little doubt that their use of smaller companies and owner-drivers as subcontract line-haul carriers and their capacity to switch consignments from road to rail to air has encouraged price competition amongst road transport specialists.

Table 1: Establishments and Turnover in Road Freight Transport by Size of Establishment, Australia, 1983-1984.

| Number of Trucks Per Establishment | Number of Establishments | | Turnover | |
|---|---------------------------------|----------|------------------|----------|
| | Number | % | \$million | % |
| 0 | 994 | 3.0 | 624.3 | 12.3 |
| 1 | 24,964 | 75.8 | 1,248.8 | 24.5 |
| 2 | 3,466 | 10.5 | 372.5 | 7.3 |
| 3-5 | 2,304 | 7.0 | 535.0 | 10.5 |
| 6-9 | 657 | 2.0 | 429.2 | 8.4 |
| 10-49 | 493 | 1.5 | 1,37.7 | 22.4 |
| 50-99 | 50 | 0.2 | 492.9 | 9.7 |
| 100+ | 15 | 0.0 | np | np |
| TOTAL | 32,943 | 100.0 | 5,088.8 | 100.0 |

Source: ABS, *Transport Establishments Selected Items of Data Classified by Industry and Size Group, Australia, 1983-84, (Catalogue No. 9105.0), Table 4.*

np = not published

The discussion of competition has already hinted at the complex company structures evident in road freight transport. Amongst professional carriers, companies range from the largest freight forwarding companies through medium and small companies to single operators (owner-drivers). These various operators are also linked by complicated and ever-changing contractual relationships. The relative importance of the various company types can be seen in Table 1, which reports the results of a one-off, national survey conducted by the Australian Bureau of Statistics in 1983-84. Clearly, a small number of large companies dominate turnover in the industry, while the smallest operators are numerically most common.

Data on ancillary carriers is less readily available, but clearly companies engaged in almost any form of enterprise may also be ancillary carriers: they range from farmers to manufacturers and service organisations, and they vary from small firms to large conglomerates.

Technologies and Work Organisation

The basic technology and organisation of work in road freight transport is very simple. The production process divides into three easily separated stages: loading, where the goods are placed on or in the vehicle; line haul, where the vehicle is driven from the point of loading to the destination; and unloading, where the goods are removed from the vehicle (Bray, 1990, Chapter 3). There are, however, many variations on this basic

pattern, with the most complex production processes being operated by professional carriers in the long distance, less-than-full-truckload markets. Perhaps the most important feature of these production processes is that each stage is easily divisible from the others, allowing the possibility of different workers and different companies completing different stages of production. This feature is important in explaining the complex contractual arrangements in the industry and especially the role of owner-drivers in the line-haul stage.

Since the TISA covers mainly truck drivers, the focus of this paper is on the line-haul stage of production. Here the main technology involved is the vehicle, which can vary from a bicycle to the enormous 42-tonne Double-Bs only recently allowed to operate on New South Wales roads. While the same basic technology underlies all vehicles, they vary mainly in the manner by which the goods are stored on the vehicle and according to the size (and therefore the carrying capacity) of the vehicle. With respect to the former, by far the majority of vehicles operate in the general freight or 'dry goods' sector, and are thus either flat-top vehicles or pantechicons. However, there is a wide range of specialist vehicles catering for the needs of smaller market segments, like ready mixed concrete, bulk liquids and refrigerated goods.

Table 2: *The Carrying Capacity of Trucks Registered in New South Wales (1955-1982)*

| Year | <i>Number of trucks with carrying capacity (in tonnes) of:</i> | | | | | TOTAL |
|------|--|----------------------------|-----------------------------|----------------|----------------|-------|
| | <i>less than 2</i> | <i>over 2 less than 10</i> | <i>over 10 less than 20</i> | <i>over 20</i> | <i>unknown</i> | |
| 1971 | 40.9 | 64.9 | 13.1 | 0.8 | 16.5 | 136.1 |
| 1976 | 38.4 | 70.2 | 15.8 | 3.2 | 1.2 | 128.8 |
| 1979 | 52.4 | 74.1 | 16.5 | 6.1 | 2.9 | 152.0 |
| 1982 | 67.6 | 77.5 | 16.7 | 8.3 | 1.2 | 171.2 |

Source: *Australian Bureau Statistics, Motor Vehicle Censuses, New South Wales, (Catalogue No. 9309.1)*

As for the size and carrying capacity of vehicles, Table 2 shows the effects on changing technologies: the very large trucks (over 20 tonnes) increased in number far more rapidly than other categories over the 1970s and early 1980s. Unfortunately, more recent comparable data has not been published, but the trend undoubtedly continued.

Another important feature of the production process is that it is labour intensive. Estimates vary, but most commentators agree that labour accounts for more than half of all employers' costs in short distance road transport, although this figure is lower in the long distance sectors (see Bray, 1990, 39).

The Workforce

The latest census suggests that in 1986 the total workforce in the New South Wales road freight transport industry was approximately 32,200.¹ This workforce comprises a number of occupations (including managers, clerks, salesmen, mechanics and loaders), but by far the largest occupational group was drivers, who numbered around 19,400. These figures, however, relate only to employment in professional carrying companies. The occupational structure the workforce of ancillary carriers is likely to be significantly different and more complex, given that their main business activity is not the provision of road transport services. Nonetheless, more drivers were employed outside professional carriers within, numbering around 32,400 in 1986.

There were, therefore, nearly 52,000 truck drivers in New South Wales in 1986. Of these, the best available estimates suggest that around 20-25 per cent of all drivers across all industries are self-employed owner-

¹ An account of the workforce in New South Wales road freight transport is made difficult by a lack of sufficiently disaggregated data, hence the reliance on census statistics. For a more detailed discussion of the available data and their limitations, see Bray (1990, Chapter 4).

drivers, while this figure might well rise to almost 40 per cent in the road freight transport industry (Bray, 1990, 56-7).

Given the relatively simple production process, the range of skills required by truck drivers are limited to three main areas. First, many drivers (although not all) must load and unload the vehicle. This task can have significant consequences for the quality of the service provided to customers (especially as to whether the goods arrive undamaged) and to safety, but in most cases it is a skill acquired through experience on-the-job rather than through formal training. The main exceptions here arise when the goods being loaded and unloaded have some special qualities and special training is therefore required. Examples include dangerous goods, which increasingly have special safety regulations governing their handling, or ready mixed concrete, which must be mixed to the correct consistency on arrival at the building site. These loading/unloading skills vary enormously across industry sectors.

The second area of skill is the task of driving itself. This is the main area where formal qualifications are required. Special licences were introduced in 1952 for drivers of vehicles weighing more than two tonnes and in 1957 for drivers of articulated vehicles, and since then further gradations of licences have been added for vehicles of various types. In 1988, the number of current drivers' licences in New South Wales far exceeded the number of workers employed as drivers: there were 326,000 Class 3 licences (rigid vehicles over 2 tonnes) and 127,400 Class 5 licences (articulated vehicles). This, plus anecdotal evidence, suggests that most companies, both professional carriers and ancillary carriers, are able to engage drivers who already have the relevant licences on the external labour market. Many companies (especially large companies) do, however, provide drivers with on-the-job and off-the-job training. Some of these companies also operate a form of internal labour market in that the larger vehicles in the company fleet, and therefore the better paying jobs, are only allocated to more senior and experienced drivers.²

Third, many drivers exercise skills which are ancillary to loading/unloading and driving. Customer relations, for example, can be important where the driver makes direct contact with customers, as in the retail industry. Most drivers must complete relevant paperwork on departure and arrival, while many must also handle money when cash-on-delivery situations arise. Clearly, these ancillary skills vary considerably according to the sector in question.

Industrial Relations

Like most Australian industries, work organisation and employment relationships in road freight transport are governed by a complex combination of formal rules (embodied in laws, awards and collective agreements) and informal rules (embodied in practices determined within the individual enterprise or workplace). Award restructuring and workplace reform focuses attention on both types of rules and the relationship between them.

The formal rules affecting road freight transport emanate from both federal and state sources and from both industrial and other types of regulatory authorities.³ However, attention here will focus exclusively on rules

² This brief account of training and other features of internal labour markets depends on anecdotal contemporary evidence and data from a survey conducted in the early 1970s (see Department of Labor and Immigration, 1975).

³ The complex and often contradictory web of federal and state laws and regulations governing the use of roads, for example, has been an important target in attempts to improve micro-economic efficiency in road freight transport over recent years (see, for example, Department of Transport & Communication, 1989).

associated with industrial authorities, especially the arbitration systems. In this area, unlike most other states of Australia, road freight transport in New South Wales is governed mainly by awards and agreements determined within the state arbitration system.⁴

The structure of awards in New South Wales road freight transport is mainly occupational. Clerks are mostly covered by the Clerks (State) Award and the federal Clerks (Road Transport and Customs Clearing Industry) Award; loaders are mainly covered by awards for storemen and packers, with the exception of loaders working in terminals operated by professional carrying companies, who are covered by the drivers' awards; and drivers are covered by the various drivers' awards, which are listed in Table 3.

Table 3: Drivers' Awards in NSW Road Freight Transport

State Awards

Transport Industry (State) Award

Transport Industry - Armoured Cars (State) Award

Transport Industry - Brick, Tile and Pottery (State) Award

Transport Industry - Laundry and Dry Cleaning (State) Award

Transport Industry - Petroleum Distribution Award

Transport Industry - Retail (State) Award

Transport Industry - Sanitary and Garbage (State) Award

Transport Industry - Timber (State) Award

Transport Industry - Trade Waste (State) Award

Transport Industry - Wholesale Butchers (State) Award

Transport Industry - Wood and Coal (State) Award

Federal Awards

Transport Workers (Interstate Drivers) Award

Transport Workers (Oil Stores) Award

⁴ The main exceptions are drivers in the interstate sector, who work under the federal Transport Workers (Interstate Drivers) Award, and drivers in the oil industry, whose terms of employment are jointly regulated by the federal Transport Workers (Oil Stores) Award and its 'mirror' state award, the Transport Industry Petroleum Distribution Award.

It can be seen from Table 3 that the structure of drivers' awards is greatly influenced by the structure of road freight transport product markets. Drivers in specialist market segments, such as armoured cars, retail deliveries and trade waste, are covered by specialist awards. However, the majority of drivers, who work in the general freight segment as well as in specialist market segments not covered by their own awards, are covered by the Transport Industry (State) Award. The TISA is therefore the largest of the drivers' awards in New South Wales, covering thousands of drivers. The TISA is also the industry's 'primary' or 'parent' award. This means that the TISA is usually considered as the pattern-setting award in the industry, with most innovations in wages and conditions being introduced first into the TISA and then flowing on to the other 'secondary' awards.

Under the terms of the Industrial Arbitration Act of 1940, all of the New South Wales state drivers' awards listed in Table 3 are determined by Conciliation Committees, comprising equal numbers of union and employer representatives plus a independent chairperson, who is a Conciliation Commissioner. The powers of the Conciliation Committees can also be exercised by Industrial Commission, an event which occurs when decisions of the Committee are appealed or when the matters before the Committee are considered to affect the 'public interest'. The TISA is governed by the Carters &etc (State) Conciliation Committee, which comprises three union and three employer representatives.

There are many collective organisations with a direct interest in the activities of the various drivers' Conciliation Committees, and therefore party to the award restructuring proceedings discussed below. The only important worker representative is the Transport Workers' Union (New South Wales Branch). This powerful union, whose membership is dominated by truck drivers, is the state branch of a federal union, but it has historically exercised considerable autonomy in New South Wales (Bray & Rimmer, 1987). The TWU nominates all three union representatives to the Carters &etc Conciliation Committee.

Employer representation is far more complex, reflecting the fragmented structure of road transport product markets and the divergent patterns of employer interests that this fragmentation produces. Professional carrying companies with an interest in the TISA are represented by two organisations: the New South Wales Road Transport Association (NSWRTA), whose members are mostly engaged in short distance road transport activities, and the Long Distance Road Transport Association (LDRTA), whose members are mostly in the interstate sector. The NSWRTA nominates two of the three employer representatives to the Carters &etc Conciliation Committee. The LDRTA has no representation on the Committee, but it was active in the restructuring of the TISA.

Ancillary carriers (or 'mixed industry employers', as they are called in the industry) with an interest in the TISA are represented by a number of organisations.⁵ The two largest, and the most important to the account of the restructuring of the TISA, are the Australian Chamber of Manufactures and the Employers' Federation of New South Wales. These two organisations share the right to nominate the third employer representative to the Carters &etc Conciliation Committee. Other employer associations include the Metal Trades Industry Association and the Retail Traders' Association, while individual organisations like the Roads and Traffic Authority were also active.

There has long been antipathy between employer organisations involved in the TISA, especially between the professional carriers' associations and the organisations representing mixed industry employers. This

⁵ There are a number of additional employer organisations in industry segments covered by the secondary road freight transport awards. For example, the Waste Disposal Contractors' Association represents employers covered by the Transport Industry - Trade Waste (State) Award and nominates employer members of the relevant conciliation committee.

conflict largely arises from the NSWRTA's history of negotiating agreements with the TWU and subsequently generalising the terms of these agreements to the rest of the industry by way of their numerical domination of the Carters & etc Conciliation Committee. This is at least partially the result of professional carriers preferring a centralised bargaining structure which takes wages out of competition (Bray & Rimmer, 1987, 212-16). Mixed industry employers object to this pattern of award formation because they believe that the greater vulnerability of professional carriers to the TWU's industrial pressure has made the NSWRTA too accommodating and has produced wage and conditions outcomes which are more generous than is justifiable. This conflict was evident in disputes during the 1960s (ibid.) and in appeals against decisions of the Conciliation Committee during the 1970s (ibid., 251-2), and it re-emerged during the restructuring period of the 1980s when mixed industry employers sought to exclude their companies from the TISA and gain a separate award.

Apart from the combination of awards which comprehensively covers employee-drivers in New South Wales, there are two additional sources of formal rules. First, since 1979 a number of 'determinations' have been handed down covering owner-drivers, who are usually considered at common law to be self-employed. These determinations provide legally-binding minimum rates and conditions for owner-drivers in much the same way that awards regulate the wages and conditions of employee-drivers. This system of owner-driver regulation is unique to New South Wales (Bray, 1990 and 1991).

Second, the centrally determined awards in New South Wales road freight transport are frequently supplemented by collective agreements negotiated at company or yard level between the TWU and individual operators. These agreements, many of which are registered under section 11 of the Industrial Arbitration Act, rarely replace awards by comprehensively regulating activities within the company. Rather, they tend to address only a small number of specific issues. Sometimes these are non-award or overaward issues, and therefore there is no conflict with the award. However, where these agreements seek to vary award provisions to suit the company's requirements, it is necessary to insert a parallel exemption into the award. This practice has long provided a great deal of flexibility in road transport which was often neglected in the restructuring and reform debates of the 1980s.

As well as this extensive array of formal rules governing the performance of work in New South Wales road freight transport, informal rules operate within every yard or depot. These informal rules address issues which are not included in awards or collective agreements, such as the allocation of work amongst different employees, the expected workloads of employees and other standards of behaviour at work. Such rules are determined mainly at company or workplace level and they are specific to that company or workplace. There is a range of processes by which these informal rules are determined. They may simply be the result of company management exploiting its legal right to unilaterally dictate how work is conducted - a situation which is most common where workers within the company are poorly unionised or where the union representatives accept management's right to make such decisions. Alternatively, management may seek to consult the workforce before making the rules or workers may collectively seek to influence management's decisions. In some instances, workers may collectively seek to make rules unilaterally, independent of management.

There has been little research on these informal patterns of rule-making at workplace level in road transport, but some generalisations can be made. Perhaps most important is the fact that union organisation at workplace level, which is obviously vital for workers' capacity to challenge management decisions, varies enormously within the industry. Given the large number of small firms, it can be expected that the union is weak in the majority companies. Here, management unilateralism dominates. However, union membership is complete in many of the larger companies (both professional carriers and mixed industry employers) and some companies have witnessed the emergence of strong workplace union delegates who have sought

extensive worker involvement in rule-making. The two most obvious examples are the oil industry (Bray & Rimmer, 1987, 194-5, 230-2) and owner-drivers in ready mixed concrete (Bray, 1984), but the yards of the larger freight forwarding companies were also well organised. In these companies there is much more potential for consultation, bargaining and even unilateral worker control to occur.

Thus, industrial relations in road freight transport in New South Wales is dominated by a comprehensive set of formal rules determined within the New South Wales arbitration system. The common rule status of the awards and the pattern-setting role of the TISA mean that many issues, especially wages and hours, are centrally determined across the industry - a matter of some satisfaction for professional carriers, but a source of discontent for mixed industry employers. This centralised award system is, however, supplemented by much more decentralised processes. In most companies, this takes the form of unilateral management decision-making, but formal collective bargaining and informal collective rule-making has emerged in the larger companies.

RESTRUCTURING THE TRANSPORT INDUSTRY (STATE) AWARD

The account of the restructuring of the TISA presented below is organised chronologically, beginning with a brief review of the award before December 1989. Attention then turns to the three main events in the restructuring process: the first SEP increase, the Award Modernisation clause and the second SEP increase. A short final section assesses progress since the second SEP increase.

The Award Before December 1989

Before the restructuring of the TISA in 1989-90, the award contained 45 clauses broadly addressing five main areas: monetary rewards, hours of work, procedural matters, working conditions and leave. The last two areas did not figure prominently in the later process of restructuring.

Before 1990, the TISA contained a complex series of clauses concerning the monetary rewards of workers, including wages, allowances, penalty rates and so on. The complexity of these clauses arose partly from the ad hoc historical development of the award, but it mainly reflected the different types of vehicles used and the different tasks performed by drivers in various market segments covered by the award. Consequently, many of the fragmented job and wage classifications could not easily be reformed. The main focus of subsequent restructuring negotiations was the general wage classifications (Division A) used for drivers. Here, there were over 30 classifications based on the 'manufacturer's gross vehicle mass' of the vehicle in question, such that the bigger and heavier the vehicle, the higher the wage rate. In many cases, the differences in actual wage rates attached to job classifications were very small. Although there was no clear evidence that this classification system greatly impeded flexibility in the workplace, it was administratively clumsy and certainly open to simplification. As well, the individual classifications gave the appearance of arbitrariness because they did not clearly correspond to any measurable level of skill or formal qualification.

Provisions relating to hours of work occupied an important position in the TISA. Ordinary working hours, for example, were for many years defined as 7.00 am to 5.30 pm Monday to Friday, and only increased to allow a 6.00 pm finish as part of the second tier agreement inserted into the award in August 1989.⁶ Employees

⁶ The experience in the industry of the second tier was a fairly painful one. Initially, the 4 per cent wage increase allowed under the 1987 National Wage Case was granted only to workers in workplaces or companies which had concluded an productivity agreement with the union; these companies were listed in a Schedule at the end of the TISA. By October 1988, it was

earnt overtime penalty rates for work outside of these ordinary hours. The working of shift work was restricted to a relatively small number of industry sectors, with shift workers earning an flat sum allowance each week in addition to their normal base wage. The TISA contained no provisions for part-time work, while casual workers had to be paid a minimum of eight hours and there were quotas on the number of casuals engaged by any employer. Employers were later to argue that these hours of work provisions significantly restricted the flexibility of their operations.

Finally, the TISA prescribed a number of procedural matters such as a clause granting preference to union members, a disputes procedure and a mixed function clause. The 'Terms of Employment' clause effectively allowed employers to dismiss workers with one day's notice and, as a result of variations resulting from the second tier agreement, the 'Pay Day' clause allowed employers to use Electronic Funds Transfer (EFT) with the agreement of the majority of employees in the yard or depot.

The 1st SEP Wage Increase, December 1989

During the first 12 months of the award restructuring wage system following the August 1988 National Wage Case decision wage increases were granted to workers on the basis of agreement by their unions to engage in award restructuring negotiations. Consequently, it was only in the second 12 month period, following the August 1989 National Wage Case decision, that substantive changes to the TISA were seriously contemplated.

What changes were the parties seeking to achieve through award restructuring? Employers had been meeting regularly throughout the award restructuring period and, by late 1989, they had largely agreed upon a common set of preferred changes to the award. This apparent agreement, however, masked some significant differences between them over substantive goals, priorities and tactics. The scope of the desired changes can be seen in an agenda circulated by the Chamber of Manufactures (Correspondence, 1990):

- four hour minimum engagement of casual employees, instead of the existing eight hours
- part-time employment for driving classifications
- expansion of the span of ordinary hours to be 6.00 am to 6.00 pm
- implementation of a 12 hour shift
- time off in lieu of overtime where employee and employer agree
- payment of wages by EFT at employer's discretion
- removal of Clause 5 - Collection of Monies
- increased flexibility for the taking of meal breaks

estimated that only 30-50 per cent of NSWRTA members had negotiated such an agreement (Correspondence, 1988). The increase was subsequently flowed-on to the remaining employees through changes to the award, inserted by consent in August 1989. These main award changes included: an increase in ordinary working hours, EFT if agreed to by the majority of workers in a yard, increased span of hours for meal breaks and agreement in principle to introduce permanent part-time work for non-driving classifications (Industrial Commission of NSW, 1989).

- minimum meal break of 20 minutes at the election of the employee
- the loading for rotating afternoon shifts to be 15 per cent and for rotating night shift to be 20 per cent
- a new job classification scheme
- agreement to implement all the above changes in a new Transport Industry Mixed Enterprises (State) Award.

Associations representing the professional carriers broadly agreed with this 'shopping list' with one important exception, which was the last demand concerning the introduction of a separate mixed industry award. Mixed industry employers believed that professional carrying companies were far more vulnerable to TWU industrial action than were mixed industry companies and that the NSWRTA was consequently too timid in dealing with the union. They thus believed they had much to gain by moving out of the TISA, which was dominated by the TWU and the NSWRTA by virtue of the latter's control of two out of the three employer positions on the Conciliation Committee. A separate award, determined by a Conciliation Committee whose employer representatives were nominated by mixed industry employers would lead, they argued, to more advantageous award provisions.⁷ The NSWRTA apparently recognised its vulnerability to TWU pressure, but it strongly opposed a separate award for mixed industry employers because of the competitive disadvantage it feared its members would suffer should a separate award led to different wages and conditions for the employees of mixed industry employers.

The TWU's approach to award restructuring demonstrated a procedural preference for reforms at an award level (rather than workplace) and, in terms of substance, appears to have been strongly guided by the ACTU in that union expectations focused on its advantages of restructuring for union members; namely, wage increases, better training and career ladders. A TWU bulletin stated in July 1989:

- Unions across Australia are about to embark upon the most ambitious and complex changes to award structures that have been attempted by the labour movement.
- Award restructuring is supported by the Transport Workers Union because modernised awards will directly benefit members.
- Award restructuring will provide better pay for low income workers. There will be clear career paths for all workers and new training programs.
- It means workers will have better prospects for moving up the career ladder, being trained with new skills for more highly paid jobs. (TWU, 1989)

However, the TWU is a pragmatic organisation and subsequent events showed that it was prepared to accept some employer agenda items which did not strictly advance these goals of higher pay, more skills or better career paths. Union officials also displayed a willingness to negotiate issues at a company or workplace level where necessary. As for the issue of a separate mixed industry award, there appears to

⁷ Mixed industry employers actually applied to the Industrial Commission in October 1989 for the creation of a separate award and hearing progressed to the stage of inspections, before they were adjourned indefinitely.

have been differences of opinion within the union. At first, the TWU gave some support to the concept of a new award but, for both tactical and substantive reasons, it later withdrew this support.

Negotiations between the parties had been proceeding for several months and considerable agreement had been reached on many substantive issues, but by December 1989 something of an impasse was reached. The issues still in dispute seem to have been union involvement in workplace negotiations (especially through an Award Modernisation clause) and the question of a separate mixed industry award. Upset about delays and the push to exclude the union from workplace negotiations, the TWU threatened industrial action in the period just before Christmas (Correspondence, 1989). This threat led to a split in employer ranks and the NSWRTA, whose members were most likely to be affected by this action, came to agreement with the union to the effect that it would support the union's approach to Award Modernisation, if the union opposed the creation of a separate mixed industry award (NSWRTA, 1989). Representatives of mixed industry employers opposed this agreement, but they decided to hold their discontent and pursue their objectives in negotiations over the second SEP wage increase due six months later (Employers' Federation of NSW, 1990).

The main features of the TWU-NSWRTA agreement over the 1st SEP increase, which was accepted by consent by the Conciliation Committee on 22 December 1989, were:

- wage increases ranging from amounting to \$10.00 to \$15.00;
- the introduction of part-time provisions for non-driving classifications;
- agreement to continue negotiations over a range of issues, including the broadbanding of job classifications, shiftwork, long distance intrastate work, training and an award modernisation clause

Thus, the actual award changes resulting from the 1st SEP increase were modest. The issues raised by employers had been narrowed down and agreement in principle achieved on a number of the remaining issues, but further negotiations were required to finalise the details.

The Award Modernisation Clause, June 1990

One important element of the 1st SEP increase was agreement in principle to insert an Award Modernisation clause into the TISA. The elements of this agreement were later summarised as follows:

Certain concepts relating to Award Modernisation were agreed between the parties. The first being that the parties recognise that not all structural efficiency issues are quickly dealt with at the peak level between Union and Employer Associations. Secondly, that there was scope at the yard, depot or enterprise level for discussions to take place which may help to facilitate the implementation of the structural efficiency principle. Thirdly, that there should be a procedure in the Award providing for that to take place in a structured way. Fourthly, that any agreement which was reached and which concerned Award matters, should be brought before the Industrial Commission or the Conciliation Committee; and lastly, that any such agreements would have to fall within the Principles enunciated in the State Wage Case 1989. (Mills, 1990, 5)

However, beyond these elements of agreement the parties differed considerably over the wording of the Award Modernisation clause, especially in so far as that wording concerned the role of the union. On the one hand, the TWU sought a clause which was basically the same as that inserted into the corresponding federal awards (AIRC, Print No.s H9649, J0966 and H9998). This proposal would have meant that the employers

were obliged to involve the union in all negotiations at yard, depot or enterprise level from the earliest stage. As a result of the agreement reached in December 1989, the NSWRTA agreed with the union on the form of this clause.

On the other hand, mixed industry employers advocated a more 'flexible' clause similar to that recently inserted into the clerks' state award (Glynn, 1990). The effect of such a clause would have been to exclude the union from such negotiations unless employers requested the assistance of the union. Some mixed industry employers also wanted to ensure that the award modernisation clause provided a mechanism for achieving 'Enterprise Agreements' (Mills, 1990, 14), although the meaning of this term was unclear.

These differences could not be resolved in subsequent negotiations and the matter went to arbitration. Principal Conciliation Commissioner Mills handed a decision on 8 June 1990, inserting a compromise clause which in effect allowed yard, depot or enterprise negotiations to proceed without union involvement, provided those negotiations would not lead to award variations. Wherever award variations were necessary, there was an obligation to notify the union and relevant employer association. The resulting agreement at this level could substitute for provisions of the award, provided a series of conditions were met (Mills, 1990).

Additional provisions were inserted into the Award Modernisation Clause by the November 1990 appeal case decision. These additions ensured that agreements reached at workplace level which related to changes in the award must be listed in a schedule to the award, along with details of how the agreement varies the terms of the award.

The importance of the award modernisation clause for restructuring is that it provides a procedural link between changes in the award and the reforms at the workplace level. In particular, it allows employers to raise almost any issue for negotiation and it specifically states that the union 'shall not unreasonably oppose any agreement reached under [the] clause'. Disagreement over the wording of this clause reflected differences over the procedures by which workplace reforms should be achieved - differences not only between unions and employers, but also between different groups of employers.

The 2nd SEP Wage Increase

Negotiations over the 2nd SEP wage increase continued, gaining some urgency by May 1990. By June an agreement was reached between the TWU, the NSWRTA and the LDRTA, and it was then presented to Justice Sweeney of the Industrial Commission on 29 June. Justice Sweeney accepted the terms of this agreement and varied the award accordingly (Industrial Commission of NSW, 1990). The most important of the many changes to the TISA resulting from this decision concerned:

- job and wage classifications
- shiftwork provisions
- training
- payment system for long distance intrastate drivers
- termination of employment provisions

The first of these changes was a big reduction in the number of job and wage classifications to just eight. This approach was similar to that advanced by the ACTU and was aimed at allowing greater multi-skilling of

workers and increased flexibility in work allocation for employers.⁸ The impact in road transport of such measures would appear to be limited, however, because it really only allows employers to more easily switch drivers between trucks of different sizes. The job classification definitions were still based on the manufacturer's gross vehicle mass of the truck being driven by the employee.

Second, the restrictions on shiftwork contained in the old award were dropped and new provisions were inserted which gave employers an unrestricted right to operate three shifts in addition to a normal day shift: a new early morning shift, an afternoon shift and a night shift. This considerably increased flexibility in this area although, in return, the union was able to gain the introduction of shift allowances based on a percentage of wage rather than flat money sums; this meant sizable wage increases for shift workers.

Third, a new Commitment to Training clause was inserted into the award. This clause began with a statement that efficiency, productivity and competitiveness could be achieved by a greater commitment to training. It went on to set up a procedure by which a training program for each company would be negotiated. It also provided that the employees undertaking training as a result of that procedure would suffer no loss of pay and that employers would pay for training expenses incurred. The operation of the clause would be reviewed nine months after its insertion and the union was granted leave to press for prescription of a minimum number of training hours if the existing provisions had not succeeded. Training of union delegates in their union duties was included in the terms of the agreement.

Fourth, a new payment system was introduced for long distance intrastate drivers regularly working trips over 500 kilometres. For the first time, employers could pay drivers according to the distance of the trip rather than old method of time payment. This serves to legitimise and regulate the previously illegal practice of 'trip money', which had caused problems for many years. The actual rates per trip were based on a formula used in the federal interstate drivers' award and were listed in a schedule to the award.

Finally, a new Terms of Employment clause was inserted insisting that employees being terminated be given one week's notice, instead of the previous one day's notice.

The award restructuring story was, however, far from complete. Mixed industry employers (led by the Chamber of Manufactures) objected to both the substance of the new award and the procedure by which it was made, and they mounted an appeal against the Sweeney decision. The decision by the Industrial Commission in Court Session on 16 November upheld the appeal.

The final award which emerged from the November appeal decision did not achieve many more of the mixed industry employers' agenda items, partly because they moderated their demands before making their final submissions in the case. It did, however, serve as a rebuff to the TWU and the NSWRTA, and it reserved leave for these employers to pursue a number of their more contentious demands, such as four-hour minimum payment for casuals and employer discretion for payment by EFT. In this way, these issues were kept on the reform agenda and could, perhaps, be used as bargaining items in employer efforts to create a separate mixed industries award.

As for the more substantive effects of the appeal decision, there was no attempt to overturn the long distance payment system or new Terms of Employment clause contained in the June variation. Even the new job classifications and the wage rates attached to them were not changed significantly. Here, the main changes

⁸ It should be noted, however, that the eight levels inserted into the TISA differ to the ten levels inserted into the corresponding federal Transport Workers Award.

came in the delayed operative date of the wage increases and adjustments to the definitions of the job classifications which meant they relied not so much on manufacturer's gross vehicle weight as on the number of axles of the vehicle. This decision in fact increased the wages gained by some employees. The training provisions remained much the same, with the important exception that employer sponsorship of trade union training was deleted.

In summary, the restructuring of the TISA resulting from the 2nd SEP increase was more substantial. Certainly new job and wage classifications were inserted and there was an intention that these would be linked to new training programs. However, the effect of these changes on flexibility at the workplace remained to be tested. The new long distance payment system was a significant advance for professional carriers, but it meant little to ancillary carriers. The new shiftwork provisions were greeted by most employers as a welcome opportunity for flexibility despite, the increased shiftwork penalty rates.

Award Restructuring Since November 1990

Little further progress has been achieved in restructuring the TISA since the appeal decision by the Industrial Commission in November. This is largely because of developments in the wage system at national level, where the ACTU and the federal government have come into conflict with employers and the Industrial Commission over implementation of Accord Mark VI. This has meant that further restructuring of the TISA has been stalled. There is also some question about how much more restructuring of the award is necessary. While mixed industry employers certainly have remaining agenda items which have not been addressed, including their desire to create a separate award, professional carriers seem to have few additional demands and the TWU will not be unhappy to see restructuring end. In many ways, it appears that the future focus of restructuring will be at the workplace level rather than the award level.

AWARD RESTRUCTURING AND WORKPLACE REFORM: AN OVERVIEW

The award restructuring process described in the previous section does not directly or automatically change the organisation of work or the pattern of industrial relations at workplace level. Restructuring of multi-employer awards such as the TISA is facilitative only, and can do little more than offer the potential for changes at workplace level. The question is whether this potential is realised in practice. Given the large number and diverse nature of enterprises covered by the TISA, this question cannot be definitively answered for road freight transport in New South Wales without extensive survey and case study research. Nonetheless, this section offers some general observations based on interviews with various practitioners active in the industry, and the next section presents the results of a case study.

One important outcome of the restructuring of the TISA is that employers in road freight transport seeking to reduce costs, improve efficiency or create greater flexibility by changing workplace practices are presented with three procedural alternatives. First, management can unilaterally introduce the new award conditions resulting from the restructuring of the TISA. Workers affected by such actions and opposing management's initiatives have little recourse provided the changes are permissible under the provisions of the award.

Second, employers can introduce changes in consultation with the company's workforce, but without the involvement of the union. Provided the negotiations concern non-award issues, the union has no legal right under the Award Modernisation clause of the TISA to intervene in this process. The union may embark on industrial action designed to force the employer to include the union in negotiations, but this could lead to a confrontation with the Industrial Commission. New South Wales employers have an additional mechanism by which they can seek to exclude the union from negotiations over award issues; this is an Enterprise¹⁷

Agreement under the Industrial Arbitration (Enterprise Agreements) Amendment Act passed by the Parliament in December 1990. Inter alia, this legislation allows employers who gain the support of 65 per cent of their workforce to remove their company from coverage of the award and negotiate an agreement for their enterprise which replaces the provisions of the award. The content of such Enterprise Agreements is subject to only minimal review by the Industrial Commission.

Third, employers may choose to negotiate workplace change with the TWU. This may be completely voluntary when non-award issues are at stake but, except for those seeking to exploit the Enterprise Agreements legislation, employers are obliged under the terms of the TISA's Award Modernisation clause to notify the union if negotiations within the enterprise lead to changes of the award. Agreements with the union which emerge from this process must subsequently be listed in a schedule to the TISA.

Have these procedural mechanisms been used to achieve workplace change? Clearly this question is difficult to answer without a systematic survey of the industry. Nonetheless, as of early June 1991, accounts from union officials and the staff of employer associations suggest there has generally been little change at workplace level, except the allocation of workers into the newly broadbanded job classifications and the application of new allowances. Unilateral management action is, however, difficult to gauge. What is clear is that there have not been any Enterprise Agreements registered under the 1990 legislation. The only observable attempts to introduce workplace change through negotiation with the TWU, and these have been rare. Perhaps the most significant developments here have come in the furniture removals sector, where the union has completed three collective agreements with a number of different companies. These agreements, which contained extensive changes to hours of work and other conditions of employment, were ratified under the Award Modernisation clause of the TISA and listed in Schedule C of the award by Justice Sweeney on 8 May 1991 (Industrial Commission of NSW, 1991).

Explanations of this general lack of workplace activity vary. TWU officials suggest that, as a service industry and contrary to the situation in manufacturing industries where award restructuring originated, road freight transport has always been a competitive and efficient industry. This has meant that the union has long been forced to acknowledge and accept award provisions and workplace change which encourages efficiency and flexibility. The many Industrial Agreements previously registered under section 11 of the Industrial Arbitration is further evidence of the union's preparedness to accept flexibility measures at an enterprise level. Consequently, a system of wage determination which requires further change before wage increases are granted is, they argue, inappropriate to the industry. To the extent that individual companies have not introduced efficient practices that they deem necessary, union officials regard the fault as lying with management's failure to communicate effectively with its workforce and the union. In other words, the union feels that the opportunities for management are readily available, but that at least some managers are failing to exploit them.

Some employers lend a degree of support to this explanation. Officials of the NSWRTA, for example, suggest that the cooperative relationship between professional carriers and the TWU in the past has allowed employers to achieve many of the award provisions they required. As for workplace changes, they argue that the initiation of major reforms requires substantial management resources and expertise - investments which many companies are either unable or unwilling to make (O'Connor, 1991). Finally, it is suggested that there is considerable, and understandable, reluctance amongst employers to be 'first cab off the rank' with extensive workplace or enterprise reforms, especially when confrontation with unions would be likely, as it would be with moves to utilise the Enterprise Agreements legislation.

AWARD RESTRUCTURING AND WORKPLACE REFORM: A CASE STUDY

The workplace chosen for study is the Port Kembla branch of the Equipment Division (henceforth referred to as PKED) of Brambles Australia. The account below first provides some background on both the company and the workplace, before examining the impact of award restructuring on work organisation and workplace industrial relations.

Company Background

Brambles Industries Ltd is a major Australian-based company providing a range of specialised transport and materials handling services throughout Australia, Europe and North America. The company had modest origins as a family business founded in the 1890s in Newcastle, New South Wales. It became a public company in the 1950s, expanded rapidly through takeovers of domestic transport companies (Rimmer, 1970), and commenced international operations in 1974. In 1990, it was owned by 16,000 shareholders, employed approximately 14,000 people and had worldwide assets of more than A\$2.4 billion. It is thus one of Australia's largest companies and is known as one of the 'big three' transport and freight forwarding companies, along with TNT and Mayne Nickless.

The company's Australian activities are conducted through a wholly-owned subsidiary called Brambles Australia Limited, which in turn operates around 25 Divisions offering a wide range of services, including:

- equipment rental and industry services;
- transport and freight forwarding;
- pallet management systems;
- furniture removals and storage;
- waste management services;
- security services;
- textile rental and laundries;
- marine services.

As a result of the nature of the business and/or management philosophy, Brambles provides its various subsidiaries and divisions with a great deal of operational autonomy. This is especially the case in the Equipment Division, where by necessity each branch services a limited and often idiosyncratic geographic market. Thus, national and regional management structures in the Equipment Division are sparse, leaving most operational decisions to branch managers. Control is exercised mainly through the interrelated processes of budgeting and financial reporting.

Further evidence of this decentralised approach lies in the management of industrial relations and personnel. Brambles Australia maintains a small number of corporate industrial relations and personnel staff based in North Sydney, but their brief is to provide advice and assistance only to divisional/branch managers and

related personnel.⁹ For example, corporate industrial relations staff seek to keep local managers informed of major developments (like national wage cases or new legislation) through the circulation of written material, the holding of seminars and responses to enquiries, but it remains the responsibility of the managers to acquaint themselves with the issues and to initiate any necessary local action. In addition, the corporate industrial relations office seeks a limited coordination role, especially by insisting that local managers report disputes and industrial developments which have the potential to flow-on to other branches and divisions.

Brambles (through its corporate office and individual New South Wales branches) had been a longtime member of the NSWRTA and the company actively participated in the development of the Association's position with respect to award restructuring. However, as of September 1990, Brambles did not renew its membership of the NSWRTA due to a disagreement over a commercial policy of its federal affiliate body. In addition, disaffiliation enhanced Brambles' flexibility by allowing the company to maintain a policy stance separate from that of the employer association or the industry generally. Brambles continues by virtue of its size and scale of operations to exercise indirect and informal influence upon industry policy.

Workplace Background

PKED is one of three similarly-sized branches of Brambles Equipment Division in New South Wales; the others are located in Newcastle and Smithfield (in Sydney's western suburbs). The transport and equipment services provided by PKED to local industry fall into four categories, each of which represents a separate profit centre within the branch:

- transport, including rigid and articulated vehicles, tippers, flat-tops and floats;
- plant, including dozers, front end loaders and other earthmoving equipment;
- cranes; and
- equipment rental, mainly forklifts.

Being based in the Wollongong region, PKED relies on BHP for 60-65 per cent of its revenue, derived mainly from long-term contracts. Other large customers are companies in the coal and quarrying industries, and state instrumentalities, such as the State Rail Authority, the Roads and Traffic Authority, and the Water Board.

The present management structure at PKED comprises four levels:

- the Area Manager;
- two Managers: one in charge of transport and the other in charge of plant, cranes and equipment;
- some Senior Supervisors, but only in the largest areas of operation; and

⁹ In April 1991, apart from secretarial and clerical support, the corporate Industrial Relations office comprised one manager and three industrial staff; Personnel comprised one manager, one full-time assistant and two part-time assistants; and there was one Development and Training Manager who administered and co-ordinated general corporate training programs.

Supervisors.

The Area Manager joined the company three years ago to take up his present position and his background is in mechanical engineering in the metal and steel industries. He assumes responsibility for the overall performance of the branch, including major industrial relations issues. The two Managers, who work with the Area Manager on industrial relations matters, again come from non-transport backgrounds. The Manager (Transport) worked in mechanical engineering in the steel industry for over 20 years before joining the company five years ago. The Manager (Plant) is young and has occupied his current position for only nine months. His background is in electrical engineering in county councils, along with having gained a commerce degree.

PKED was once one of the largest transport yards of its type in the southern hemisphere, enjoying a relatively easy competitive environment and growing through its relationship with a buoyant steel industry. However, the decline in the steel industry, especially in the early 1980s, and increased competition significantly reduced the scope of operations. Recent years have seen modest growth in business, if not in the number of trucks or the number of employees. In May 1987, there were 202 vehicles and 266 employees involved in the yard's transport operations, compared with 122 vehicles and 187 employees in May 1991.

Table 4: Employment at Brambles Equipment Division (Port Kembla), May 1991

| Classification | Number of Employees | Union |
|---------------------------------|----------------------------|--------------|
| Truck drivers | 141 | TWU |
| Operators (dozers, loaders etc) | 80 | FEDFA |
| Fitters and mechanics | 38 | AMWU |
| Clerks | 11 | FCU |
| Kitchen assistants | 2 | MWU |
| Total | 272 | |

Source: *Correspondence, W. Davies (Area Manager, Port Kembla) to M. Wehby (Corporate Industrial Relations Officer), 8 May 1991.*

As Table 4 shows, PKED had 272 award employees in May 1991, of whom 141 worked as truck drivers under the coverage of the TISA. According to management, two important characteristics of the workforce are the age of employees and their length of service. Table 5 shows that over half of all drivers in the branch were over 50 years of age and nearly 40 per cent had been employed by the company for more than 20 years. This means that most drivers matured at the yard during the earlier period of soft market conditions and easy growth and, according to management, this has resulted in attitudes which in most recent times have hindered efforts to improve the branch's efficiency.

Table 5: Employment at Brambles Equipment Division (Port Kembla) by Age and Years of Service (percentages)

| Age | Drivers | Plant Operators | Crane Operators |
|--------------|----------------|------------------------|------------------------|
| 60-65 | 8 | 12 | 7 |
| 50-59 | 44 | 35 | 27 |
| 40-49 | 31 | 31 | 37 |
| 30-39 | 13 | 12 | 13 |
| 20-29 | 3 | 12 | 17 |
| TOTAL | 100 | 100 | 100 |

| Years of Service | Drivers | Plant Operators | Crane Operators |
|-------------------------|----------------|------------------------|------------------------|
| 30+ | 11 | 12 | 7 |
| 20-29 | 18 | 23 | 7 |
| 10-19 | 45 | 42 | 43 |
| 6-9 | 8 | 17 | 17 |
| 1-5 | 18 | 6 | 27 |
| TOTAL | 100 | 100 | 100 |

Note: *Totals may not sum due to rounding.*

Source: *Employee Data Base, Brambles Equipment Division (Port Kembla).*

Union membership is actively encouraged, with 100 per cent representation in the yard being channelled through union delegates elected by each of the different occupational (and therefore union) groups. Drivers have six delegates: one Senior Delegate, two from among the tipper drivers, one based at the South Bulli colliery, one from the line-haul drivers and one from the drivers of the large floats. Given the size of the yard, drivers and their delegates have frequent contact with TWU officials, usually the Secretary of the South Coast Sub-Branch.

Award Restructuring and Workplace Reform

Award restructuring has had virtually no impact on work organisation or workplace industrial relations at PKED. The reasons for this rather glib conclusion are, however, quite complex: they involve the history of industrial relations in the yard, the current attitudes and objectives of both management and workers, and their starkly different interpretations of the meaning of 'award restructuring'. The best way to understand

these issues is to first examine management's reform objectives and strategies in recent years, and then to explore those of workers and their union representatives.

To a large degree, PKED management does not see functional inflexibility as a significant problem in need of remedy. There is, for example, little resistance to the switching of drivers between different types of trucks and, apart from individual instances, drivers are mostly prepared to perform other duties when driving work is not available. New provisions inserted as part of the restructuring of the TISA have thus had little impact here.

In this context, the training of drivers was also not seen as a problem. Given the age and service of most drivers, they have long possessed the appropriate drivers' licences. Some advanced training of drivers has been introduced in recent years, most notably in a programme conducted by a consultant on the techniques necessary to prevent accidents involving vehicles rolling over. The same consulting company was also used to assess the driving skills of each individual driver, in an effort to identify future training needs. However, these developments were seen to be the result of specific problems, especially a spate of accidents involving rolls, and the availability of a credible trainer. Management argued that they were not motivated in this regard by either award restructuring or the recent training guarantee legislation.

Some flexibility between occupational groups also occurs at PKED; that is, drivers will on occasions perform operator tasks or operators will drive trucks. However, union policy within the yard only allows such switching of jobs on two conditions: the relevant employees must have the necessary training and licences, and all employees who normally carry out those tasks must be fully engaged. Management would ideally like greater flexibility in this area, especially flexibility as part of normal duties rather than only in overload situations, but it is not seen as a priority.

More important from management's point of view than functional flexibility are matters of numerical flexibility, driver productivity and the cost of labour. For example, in the transport area the most important issue is perceived to be the use of owner-driver subcontractors. The importance of this issue largely derives from fluctuations in the demand for the company's services, even when the work is under long-term contracts, which make the ownership of trucks and the employment of permanent, full-time drivers a costly alternative.¹⁰ Until recently, PKED employees would not allow any owner-drivers to work out of the yard, but approximately five years ago management negotiated an agreement which allowed a 50-50 ratio of owner-drivers to company trucks on line-haul work. Further inroads have been made in contract coal cartage, but the issue continues to create conflict between workers and management, instanced by a dispute in June 1991. Management is, therefore, very conscious of worker sensitivity towards the role of owner-drivers. In summary, management has made some advances towards to its objectives in recent years and it would like more freedom in this area, but its past and future strategy is to address the issue as it arises rather than to seek long-term agreements.

The productivity of employee-drivers, and hence the extent to which capital is utilised, is becoming an important issue for management, especially as customers more closely monitor their contractual arrangements. Here, as in most areas of road transport, the nature of the labour process makes the monitoring of driver performance difficult because drivers spend most of their working day on the road, beyond the direct control of supervisors (see Bray & Rimmer, 1986). PKED has two indirect means of addressing this problem. First, with its larger contracts, the loads carried by company vehicles are regularly

¹⁰ For a general discussion of the advantages of subcontracting, see Bray (1990, 41-4); and Donohue & Williams (1991).

checked at weighbridges. This is mostly designed to calculate contract payments due to PKED from customers, but it also gives management an indication of driving times and the number of trips completed by drivers each day. Second, 15 new vehicles purchased by PKED over the last two years have been fitted with on-board trip computers, which record various aspects of truck movements. This development has been readily accepted by drivers, but as these devices become more widespread, they will become a useful mechanism for monitoring truck performance. The industrial consequences remain to be seen, especially if in the latter respect the performance of individual drivers is brought into question. Again, these important elements of workplace efficiency have been virtually unconnected to award restructuring.

Perhaps management's greatest complaints, however, focus on overaward allowances and conditions enjoyed by PKED employees as a result of agreements reached between unions and previous managers during the earlier period of growth and soft product markets. Operators, for example, are paid travel allowances far in excess of award provisions, while local arrangements for refuelling of plant, service time and sick pay are also considered inconsistent and extravagant. Management argues that such practices often make the company's prices uncompetitive. However, management is (justifiably) very aware of worker opposition to such reforms which will reduce worker income, and award restructuring is not viewed as an appropriate or practical mechanism for achieving change in this area. Rather, management would prefer to readdress the situation in a more flexible manner by responding to individual issues as circumstances bring them to a head.

Thus, management does not see award restructuring as especially relevant to improving efficiency and productivity at PKED. Management has ideas about how to improve efficiency, but they are focus mostly on numerical flexibility, the intensification of labour and capital utilisation, and cost cutting measures. Rightly or wrongly, functional flexibility, which is so central to managers in many manufacturing industries and which lies at the heart of the ACTU's vision of award restructuring (Campbell, 1990), already exists in the yard and is therefore not regarded as a major management objective in this sector of road transport.

Furthermore, award restructuring does not figure prominently management's perception of the most suitable process by which its preferred efficiencies can be achieved. Rather than pursue an open 'all cards on the table' approach so often associated with successful experiments in award restructuring (Curtain & Matthews, 1990; Rimmer & Verevis, 1990), PKED managers prefer to 'keep their cards close to their chests' and seek advances in an ad hoc (although not unilateral) fashion. This eschewing of award modernisation procedures may be the result of ignorance of the opportunities presented by award restructuring, but it is more likely moulded by the history of industrial relations within the yard (and perhaps within the Wollongong region) and by management's perceptions (often quite accurate) of likely opposition from employees towards the nature of the changes management would like to introduce.

Turning away from management to PKED workers, it seems on reports of both management and unions officials that they are generally suspicious of management initiatives and consistently hostile towards the workplace reform. These attitudes have several sources. Most drivers are long-term employees who have witnessed the shrinking numbers of trucks and employees operating out of the yard. They tend to blame management for this decline, seeing it as the result of a 'number crunching' exercise rather the product of the 'practical' approach which predominated during the earlier years of growth (when overaward agreements were negotiated). Furthermore, employee scepticism is increased by the perceived threat to their incomes and job security.

This general suspicion of management is reinforced when the more specific issue of award restructuring arises. Workers are poorly informed about award restructuring (which may itself reflect the failure of management to pursue the issue in a positive way), but what they do know reflects early union (especially

ACTU) propaganda which emphasised higher wages, better training and improved career prospects. There was to be no repeat of the second tier. And yet, many of the issues raised at award level in road transport were, in fact, a continuation of employers' second tier agenda. In addition, the issues which most concern yard management at PKED are not directly related to award restructuring, but rather concern more general workplace reforms (such as increased numerical flexibility, through greater use of owner-drivers, driver productivity and cost-cutting measures). Employees are naturally reluctant to embrace such changes because their impact on income and job security.

Thus, award restructuring at PKED has produced little workplace reform. In many ways, this outcome reflects a process born in another industry sector, which carries little relevance to road transport. However, the history of the yard and its established patterns of industrial relations have also combined with recent adverse economic conditions to create contrasting, and perhaps unresolvable, differences between the parties over the meaning of award restructuring.

CONCLUSIONS

This account of award restructuring attempted to explore progress at two levels: the award and the workplace. At both levels, the process or procedure and the substance of change were considered. Perhaps the most valuable insight to be gained from the process by which the TISA was restructured was the potential it revealed for conflict between employers over award restructuring. Despite attempts to create a common front between professional carriers and mixed industry employers, their different economic and industrial interests served to drive them apart at crucial times, just as they had so many times in previous decades. To some degree, this conflict is the result of the peculiar structure of awards in New South Wales and the form of conflict could well be changed by the creation of a separate award for mixed industry employers, but such a development will not eliminate the commercial sources of the conflict. It serves as a salutary lesson for those who expect employer unity in award restructuring proceedings, especially in a large, multi-employer award like the TISA.

As for more substantive aspects of award restructuring, the restructuring of the TISA to some degree followed the model advocated by the ACTU and the ALP federal government. A complex array of job classifications was substantially simplified to just eight. These classifications were more closely linked to the skills and qualifications of drivers and there were significant new commitments to training inserted into the award. However, there are limits to the process of reducing job classifications because of the wide range of job tasks and special circumstances in the diverse industry covered by this large, multi-employer award. There is also some room to doubt the contribution the changed job classifications will make to increased efficiency, largely because there was little evidence that the old classification system impeded flexibility within the workplace. Greater impediments to flexibility, which remain unaddressed, lie in demarcations between drivers, storemen and other occupational groups that are covered by different unions and different awards.

Employers in road freight transport also successfully pursued a broader agenda which went beyond that advocated by the ACTU. Here, the most significant provisions were the relaxing of restrictions on shiftwork, the use of part-time workers in non-driving classifications and the new payment system for long distance drivers. As yet, there is little evidence available on whether these provisions have in practice reduced employer costs or improved efficiency, but the vigor with which these issues were championed by employers suggests some advantages to them, especially with respect to shiftwork where employers were prepared to concede increased penalty payments to the union in return for the new flexibility.

The final area of interest in the award level changes is the Award Modernisation clause because it represents an important link between the award and workplace reform. Despite the conflict over the formation of the clause, its final form carried a number of notable features. First, it provided a new procedural opportunity for employers wishing to initiate workplace negotiations designed to improve efficiency. Second, it served to ensure that virtually any issue could be raised in these workplace negotiations. Third, it obliged the union to act reasonably towards any such negotiations at an enterprise or workplace level.

The question of how these award level changes - both substantive and procedural - have affected work organisation and workplace industrial relations in road freight transport was not conclusively answered in this paper because of the large number and diversity of workplaces covered by the award and because of the limited research so far undertaken. It has already been suggested that the impact of new training commitments, part-time work arrangements and new hours of work is difficult to assess. However, the available evidence does suggest that few innovations in work organisation have occurred: the new job classifications and pay rates have been implemented, but industry level practitioners and the (admittedly unrepresentative) case study suggest that work has not been conducted in any substantially different way as a result of the new classification system. There are exceptions to this generalisation in the furniture removals section, which have not been explored in any detail, but significant workplace reform does not seem to be widespread.

If this apparent lack of impact at workplace level is an accurate reflection of the reality within the industry, then it begs explanation. Rimmer and Verevis (1990) provide some guidance here. On the basis of a number of workplace case studies, they argued that 'success' in award restructuring (presumably measured in terms of achieving significant workplace reform) was associated with several conditions. First, management seems to be more inclined to actively pursue significant change where it is subject to substantial product market pressures. Product markets in road freight transport are competitive and place managers under considerable pressure, but it is clear that managers respond to these pressures in different ways. The tendency among professional carriers, for example, is to take labour costs out of competition by imposing standard wages and conditions on the industry as a whole. In this way, the associations representing these employers sought to focus on restructuring at the award level, ensuring that advances flowed onto all employers. In contrast, ancillary carriers, who were more likely to be concerned about competition in their own markets, tend to see transport as a cost which might be reduced within their enterprise. These employers were therefore more inclined to look for opportunities to engage in enterprise bargaining, as reflected in the stance of their associations towards the Award Modernisation clause. Interestingly, the case study of PKED saw this employer being most concerned about overaward labour costs and numerical inflexibilities which put it at a disadvantage vis-a-vis competitors who have not previously granted such concessions to their workers. In these circumstances, award restructuring was of little assistance to the management of PKED.

Second, the incentive for management to seriously pursue extensive reform through road transport was reduced where the workers and unions they confronted had high expectations of quick wage increases. This paper certainly supports this argument, which is unsurprising given that Rimmer and Verevis use road transport as an example of such forces at work (*ibid.*, 107).

Third, management organisation and skills were seen to be vital to 'successful' award restructuring. This was certainly seen as an important issue by employer association officials in road freight transport: they argued that a lack of resources and/or a lack of will among many employers explained the lack of progress in workplace initiatives (for example, O'Connor, 1991). A lack of resources, however, was not the cause of limited progress at PKED, because despite the limited industrial relations expertise of the local managers, they seem to have been well served by their corporate office. There was a lack of will among PKED to

pursue award restructuring. This was not, however, necessarily the result of incompetence or sloth. Rather, it reflected a lack of inflexibilities in the existing operations and a recognition that award restructuring did not provide the most appropriate mechanism to pursue the workplace reforms managers desired.

Fourth, union support is seen as an important condition for the success of award restructuring. In road freight transport, the TWU does not seem to have presented great problems. Despite its reputation for militancy, the union demonstrated a willingness to consider reform at both award and workplace levels provided its members gained something from these reforms; the changes to shiftwork provisions in the TISA provide the best example of this. However, the role of workplace union representatives and the rank and file were more problematic. Certainly at PKED, the yard representatives were unresponsive, if not hostile, towards management's desired reforms and this made progress virtually impossible. In adopting this stance, however, the union representatives seem to have been reflecting the attitudes of many of the long-term PKED employees.

Fifth, the role of external groups or organisations can encourage workplace reform. The Industrial Commission seems to have provided some support at industry level in road freight transport, but few other organisations seem to have been invited to enter the process. A NSW Road Transport Training Council has been set up under a scheme administered by the federal Department of Employment Education and Training, but no interviewees mentioned its activities. The TWU did not seek assistance from the Trade Union Training Authority to inform yard delegates and officials of award restructuring developments, and has in fact moved to set up its own training facilities. At PKED, an outside consultant seems to have been important in the limited new ventures into training, but these related to technical training rather than being part of any award restructuring program.

Together, these factors provide some explanation of the progress of award restructuring in New South Wales road freight transport, but they do not address an important note of caution which emerges from the above account. The very notion of 'success' in award restructuring carries with it an assumption that awards and workplace practices are inefficient and in need of reform. Many of the parties in road freight transport seem to question this assumption. If, as they contend, road freight transport has long been a relatively competitive and 'lean' industry, and if existing industrial relations practices (such as section 11 agreements) already provide considerable flexibility, then the apparent lack of progress in award restructuring in this industry may not be a failure at all.

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