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Maintaining control: a history of
unionism among employees of the Sydney
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Conclusion

This thesis demonstrates how a small group of men were able to maintain control of the Water Board union for the entire period 1909-1970 in spite of the major economic, social and political changes in Australian society at large. In doing so, it explains the domestication of a sizeable section of the construction labouring workforce, a large and important section of the Australian working class.

It shows how the officials managed to maintain their control whilst adhering to an inflexible policy of avoiding industrial direct action. This is particularly pertinent in an industry where the workforce had close working contact with members of traditionally militant unions and where a large section of the union membership had an earlier tradition of militancy.

The peculiar nature of the Board's activities and its place within the development of the NSW economy explained the context of the union's operations. Nevertheless, the critical choices of union strategy depended upon the attitudes of the leadership and the groups that supported it. Fundamental to this process was the Board's own industrial relations strategy in nurturing a relationship which reinforced and validated the union leadership's position and attitudes.

Central to this story of stability and control was the erection of protective barriers around one section of the Board's workforce and their deliberate absence from the other section. One group gained from and supported the employment and industrial relations policies in the industry; the other did not. Ultimately the maintenance of control was the result of conscious policies of 'divide and rule'. More than collusion with the employer was involved. The officials who ran the union had developed a range of institutional supports which reinforced their union's place in the field and their mutual dependence with the employer. The major supports were the NSW arbitration system and the NSW Branch of the Labor Party.

Chapters One and Two dealt with the origins and consolidation of this system of control. Chapter One outlined the unionisation of unskilled and often itinerant labourers in the construction industry up to 1920. It focused on the role of the NSW Industrial Court in launching the Metropolitan Board of Water Supply and Sewerage Employees' Association in 1909. Judge Heydon's choices, in the face of competing unions, decisively reinforced union sectionalism among labourers. This process explained the subtraction of Water Board workers from organisations which had covered them in the past.

Subsequent chapters continued the argument by describing the nurturing and growth of the new industry union within the wider field of labourers' unions. From its origins, the MBWSSEA was dominated by a particular group — maintenance workers — whose employment and career prospects encouraged them to identify with the Water Board as an industry and as an employer. The union thus developed a similar perspective and to the extent that it later challenged the Board, it did so only when maintenance workers' career interests within the Board's service were at odds with the Board's behaviour.

From the beginning, the Board, for its part, recognised the advantages of a compliant house union and moved to consolidate a close yet extremely uneven relationship by persistent pressure in the arbitration system for the extension of the union's exclusive coverage. Throughout the period under review, the Board was always cognisant of the advantages in dealing with the house union and its officials in avoiding or smothering industrial conflicts.

The form and behaviour of the house union reflected its beginnings but also grew out of, depended upon and finally reinforced fundamental divisions within the industry's activities and workforce. The industry had two principal functions: the provision of sufficient water and sewerage amenities and the continued satisfactory operations of those works. For the sake of simplicity it can be said that the first largely entailed construction while the second was essentially maintenance.

The industry's workforce reflected these divisions. Those on construction largely worked for the PWD until 1928. After that, they joined the maintenance workforce working for the Board. Thereafter, the Board continued to divide its workforce according to those functions. This was a convenient method of resolving difficulties due to the separate

financing of maintenance and construction and the attendant workforce requirements. As a result, on the Water Board there developed two distinct workforces: one largely responsive to the employer's internal labour market and hence the revenue position of that employer, the other dependent upon a large and almost undifferentiated external labour market which reflected general economic conditions.

Maintenance is a necessarily continuous function for essential services such as water supply and sewerage. It is here, where the effects of disruption are large and soon noticeable, that the Board as an employer was most industrially and technologically vulnerable. It was clearly in the Board's interest to develop a loyal and knowledgeable maintenance workforce to provide the consistency and reliability crucial for smooth operation.

The financing of these activities through the collection of rates and charges adds a further stabilising element. Even in the depression of the 1930s, these were few real difficulties in obtaining sufficient revenues to pay for maintenance. As well, a certain if reduced level of maintenance is necessary, even in times of deep and general depression, for the reasons outlined above. This further limited the margin for reducing maintenance staff. Furthermore, due to the largely 'passive' nature of the service offered and the small number of workers needed to run a large and expensive system of capital works, maintenance cost relatively little as a proportion of Board expenditure.

Given the reliability of current account revenue, the small size of the maintenance workforce and the desirability of retaining the loyalty and service of workers with skills and knowledge specific to Board operations, the Board granted these workers employment permanency. This was very significant, given the persistently high unemployment among labourers prior to World War II. The Board reinforced this concession with more generous entitlements.

Construction, on the other hand, even for minor reticulation, did not proceed at a constant rate. Large construction works such as dams, pipelines and tunnels were responses to urgent demand and needed enormous finance. Finance came from loans, whose availability depended upon public perceptions of the Board's worth as a debtor, the state of loan markets and various government controls on public borrowing. Prior to the influence

of Keynesian ideas from the mid-1930s, the pressures to minimise public borrowing and spending added further instability to the Board's works programme.

A series of concurrent or consecutive loans paid for, or were expected to pay for, the larger construction works. Large construction activity was therefore rather intermittent and the degree of activity often fluctuated during construction according to the available funding. Large works were liable to suspension or termination prior to completion. This erratic activity determined the insecurity of construction activity.

Unlike maintenance, construction work could and did stop for a short or sometimes longer period without any obvious ill-effects to consumers. This together with the problems of guaranteeing continuing funding, meant that it suited the Board to draw on a large pool of unemployed labourers when work commenced and to dismiss them the moment work ceased. This large casual construction workforce allowed the PWD and then the Board to minimise fixed labour costs and to accept few if any obligations in the way of long-service, annual or sick leave.

Within this casual labouring workforce there were occupational groups who developed distinct industrial cultures and practices. In particular, some had a long tradition of autonomous local activity and job control. The most important groups for water and sewerage construction were dam navvies and trench and tunnel workers. They in turn developed a number of unions between 1892 and 1928. The thesis examines the growth of and rivalry between these unions. They exhibited a range of structures, levels of internal democracy and industrial strategies. Over time, they all displayed tendencies towards bureaucratisation. This regularly came into conflict with a rank and file reassertion of traditions of local autonomy and militancy. It was this knowledge and this experience that these construction labourers brought into the Board's union in 1928.

Under the Board, they fared no better than before. The Board's financing and industrial strategy meant that construction workers were the first and hardest hit in any downturn. The Board classified them, significantly, as 'B' Class workers. Although some worked for the Board over many years despite the vicissitudes of the loan schedule, others moved between the Board's employment and the general market for casual labour.

The Board finally recognised the need for at least a small, stable core of experienced water and sewerage construction workers when, after the 1930s depression, their absence hindered the resumption of major projects. Despite introducing a quota of 400 'A' Class positions on construction in 1936, throughout the period to 1970, the Board was loath to fully utilise this provision as it defended its wages bill flexibility.

Thus the separation between maintenance and construction workforces created almost entirely different labour markets. Construction workers, by their labours, made the Board's internal labour market ever safer for the maintenance staff, while they worked to destroy what little internal labour market was open to them and brought closer the day when, with their dismissals, they again had to face the swollen external labour market for largely undifferentiated general labourers.

Water Board maintenance workers could, in the light of the steadiness and eventual growth of their side of the industry and the opportunities for acquiring specialised knowledge and skills, aspire to the job security, better conditions and promotions largely unavailable to construction workers. Their labour market, within the Board's employ, was defined narrowly if predictably by the Board's operations and a career path into the salaried ranks. The union was active in promoting this certainty.

In this the officials relied heavily on the NSW arbitration system and the Labor Party. Arbitration had secured the union's infancy. It then entrenched the Board's preferences for a house union by keeping other unions at bay. Finally, with compulsory membership, it consolidated the union's finances. The process of award determination was both the means by which the union's ruling group secured concession for its supporters but also the necessary excuse when expected gains did not materialise. The officials stressed reliance on arbitration and conciliation, but shunned any form of intervention or pressure through direct action. Instead, they pointed to the Labor Party as the best avenue for adjusting other unresolved problems with the Board.

The officials operated completely within the world of NSW government regulation. Their close ties to the NSW Labor Party and the party's high level of electoral success bolstered their commitment to arbitration and their public sector employer. This was the theory and practice of municipal labourism. Amendments to the arbitration acts brought

public sector workers automatic award parity with those outside. This relieved the house union's officials from arduous campaigning or mobilisation. Furthermore, they gladly took the credit for gains flowing on from more militant workforces outside. In the meantime, they could concentrate on dues collection, safe in the knowledge that a Labor government would facilitate high levels of spending on construction and react sympathetically to the question of day labour. The union's income multiplied and the officials earned well.

Finally, Labor government intervention offered the officials a much greater influence over the Board's decision making, whether through an appeals board or the appointment of sympathetic members to the Board. In return, the union contributed heavily to the party's finances and propaganda efforts. Partly for this reason too, union officials gained senior positions within the party and the state.

Maintenance workers kept their stranglehold on the house union partly because they and not construction workers had security of employment, and thus continuity of union membership. As responsibility for major construction works and with it the majority of water and sewerage labourers did not pass from the Public Works Department to the Board until 1928, there was little threat from disgruntled construction workers during the union's first twenty years. The key groups in the union established a geographically centralised structure which favoured maintenance workers against the often distant and isolated construction camps. For many years, members could only vote in union elections at head office in the city. This disenfranchised most construction labourers. Later, in the face of the threat which large dam construction branches posed, the officials changed the union's rules to place a minority quota on the election of members from those branches to the Committee of Management.

The Board sought a cheap, productive yet industrially docile workforce. Until the early 1940s, high unemployment and their total lack of job security generally kept construction workers inactive industrially and within the union. Their isolation until the boom in district reticulation work in the 1960s was one problem; the indifference or even hostility of the union's officials to effective job organisation was another. It served to dampen those few sparks which ignited despite the high unemployment and the untrammelled right to hire and fire exercised by the Board's often brutal overseers.

The Board was more vulnerable in dealing with maintenance staff in their key locations. Here it looked to the union's officials to control their constituency. This the union leadership largely did. But the interdependence of the Board and its maintenance workforce was a two-edged sword for both parties. It provided the Board with a reliable and capable workforce, yet left it dependent and ultimately open to great pressure. For the workers, their situation promised security and gradual advancement but meant that they developed a range of skills and experience that was largely unwanted outside the Board. It thus suited both that there was a recognised practice and tradition of full identification of these employees with the Board's service.

The union strengthened this identification by protecting and promoting career prospects. Major union campaigns for an appeals tribunal and an employee representative on the Board fostered the idea of 'partnership in service'. The continued, large presence of supervisory (Salaries Division) staff on the Committee of Management added further blurred hostile power relations into a kind of 'service' continuum. The union's officials also argued on behalf of the Board's activities before NSW governments. Many issues raised were advantageous to both employer and union. In particular, the officials' ability to use their remarkable influence within the NSW Branch of the ALP on behalf of higher spending and day labour helped strengthen this mutually dependent if still highly one-sided relationship. Small concessions beyond the generally protected conditions served to assuage a group of workers whom the Board's own employment policies had placed in critical and potentially powerful locations with a near monopoly of knowledge and skills. No such concessions were necessary for construction. Loyalty and stability were not needed and therefore not fostered.

This then was the strategy of control. The Board advantaged one, smaller group of workers, against the rest. This employment strategy reinforced major divisions within the Board's own structure and functions. General economic conditions both locally and abroad; the nature of Australian development, with its emphasis on loan-financed, social overhead capital; and the existence of a large, mobile unskilled labouring force provided the context. The arbitration system reinforced the union's hold and entrenched the Board's strategic position. Employment conditions and the union's ability to occasionally 'deliver' on their

behalf were the elements of the mirage of 'partnership in service' which kept maintenance workers loyal to the Board and its union.

This state of affairs rested on two main conditions. The first was a poor labour market for construction workers; it was exacerbated by high turnover, the lack of regular continuous contact between their various jobs and also ultimately with oppositional maintenance workers. These elements militated against their making any effective challenge.

The second and more important condition was the absence of sustained disaffection among even a few groups of maintenance workers which could lead to their forming opposition coalitions with militant construction workers. The second scenario explains the short-lived takeover of the union in 1929-31 and the more permanent changes since the takeover in 1970, which saw the end of the 'dynastic' leadership begun by Bill Macpherson in 1909.

It is unlikely that construction workers, although much more numerous, could have managed this alone. There were always substantial minorities among them sympathetic to the central leadership and they, when combined with the overwhelming bulk of the maintenance employees made up a stable majority within the union. With the formal and geographical impediments placed in the road of continuous contact between construction jobs, and those restricting the ability of many to vote or attend general meetings, the influence of this majority was increased.

Any important role for construction workers depended ultimately upon sustained full employment in their labour market which, over time, reduced the threat of easy dismissals, allowed for the building of rank and file organisation and the ability to mount and maintain effective campaigns against the Board and, where necessary, against the officials of the union. Similarly, continued buoyant economic conditions served to fuel discontent among maintenance workers as the union was obviously and continuously unable to exact from the Board by negotiation that which outside workers were winning through a mixture of direct action, conciliation and arbitration. In an era of full employment, rapidly rising earnings and changing social aspirations, as in the mid to late sixties, job security and slow career progression no longer sufficed. Previously seeing themselves as relatively privileged, they were now manifestly not so. As their disparity from their former reference points widened,

so the ideas of 'partnership in service' via an unassertive union became increasingly untenable. At the same time, after more than a decade of very full employment, large numbers of construction workers were transferred from dam construction to a massive programme of water and sewerage reticulation in the metropolitan area and into constant contact with increasingly frustrated and disgruntled maintenance workers.

The result was the takeover in 1970.

It was only under seemingly transient economic conditions that the industrial stability and monolithic system of control engineered in tandem by the Water Board and the union's ruling group gave way to an industrial relations environment which displayed more of the dynamism and overt conflict seen in the general economy.