The Prospects and Problems of Growth

Based on a paper delivered by Hugh Hamilton, State Secretary, Building Workers' Industrial Union, Queensland, to the Industrial Relations Society of Queensland Convention held in October 1981.

In dealing with the effects of Queensland's spectacular growth in the 1980s, we should view development as part of the big wide world. A wider horizon - a world outlook - suggests that the 1980s are a period in which enormous problems will be confronted by the world's people. Above all, there is a real danger of nuclear war, a threat which hangs over the head of every nation. Economic indicators show that the world is still in the throes of an economic slump which commenced around 1974. Without revolution or wars, countries and the people in them seem to be becoming more prone to violence.

These aspects of the world situation, along with the exponential growth of technology, the micro-electronics revolution, visual display units, robots, computers and automation are going to make the future of many of the world's people very difficult.

In Australia the 35-hour week campaign is one worker-trade union response to the new reality. Struggles against mining projects, against uranium mining, for conservation, for green bans are also signs of concern.

During the 1980s the world of the worker will be one of further alienation and isolation. A process that has been underway for several years will be speeded up. Critical intelligence and conceptual faculties, a past historical requirement for the worker, will become even more deadened or diminished because of the impact of technology. The new technology does not require the same critical craft intelligence from the workers as technology did, say, three or four decades ago.

The technology of the 1980s will no longer require the worker to have the skills of the past. To a degree these skills appear to be passing to a host of managers, engineers, supervisory personnel, planners, etc. The new materials and specialisation that are so much a part of the new technology limit the application of established skills, and they have had massive effects on the political consciousness of the workers. Through the division and sub-division of labor, workers have no common employer and no perceived common enemy.

Specialisation has led to fewer workers
Gladstone workers at the meeting where they decided to strike over conditions in "boom town".

...working for more employers, to sub-contracting and self-employment. This has the effect of alienating the workers from each other and creating a sense of isolation. It certainly doesn't reinforce a collective trade union spirit; it creates "loners". Because of fragmentation and alienation at the shop-floor level in certain circumstances, what could be referred to as the class consciousness of the workforce during the 1930s and 1940s has been greatly weakened.

Despite a high level of industrial disputation, this lack of working-class political consciousness has had its effects on the trade union movement. In Queensland, and throughout the nation, the trade union movement has become a very conservative body.

Of course, people's consciousness — political, social, moral or otherwise — is not just determined by their part in the process of production. There are many other external factors that contribute to that consciousness.

Karl Marx's prophecy that the socialisation of the productive forces of modern capitalism would develop a class consciousness among the workers, which would make them the grave-diggers of capitalism, hasn't been fulfilled in advanced industrial countries. It is certainly not happening in Australia. On the contrary, modern capitalism and its enterprises have become, or are becoming, the graveyards of human energy and aspirations.

The system seems to reinforce feelings of powerlessness, anxiety, lack of identity and social isolation. This is expressed in many different ways in the workforce and in the struggles in which workers are involved.

Examples such as the Weipa dispute, a relativities dispute which lasted twelve weeks;
the current three months’ dispute of the metal trades in the mining industry, a relativities dispute; a recent dispute at Wivenhoe where the metal unions went on strike over a safety issue, and where building and other civil workers met and carried a decision condemning the metal workers, all show the inability of construction unions in Queensland to reach an agreement on procedure for negotiating collective agreements which had been the norm for major construction projects in the past ten years. Negotiations are held up because of arguments about relativities. Demarcation disputes are worse still. One has only to reflect on the Omega dispute or, more recently, the action of the New South Wales Labor Council in expelling the Builders Laborers Federation.

None of these disputes lays a basis for the unity of the trade unions, let alone for developing a working-class consciousness. They don’t create a united force of trade union power against the employers.

In the community generally, the effects of alienation, isolation and social inequality are reflected in the riots at Brixton and elsewhere in Britain, the Star Hotel riot in Newcastle, the frustrations and traumas that people in Queensland have had in the struggle for democratic rights, in the “Right to March” movement, for example. The proposed legislation to give special powers to the police for the Commonwealth Games will have the same effect, particularly on Black Australians.

The resources boom

The boom in Queensland and the projected spectacular growth of the 1980s is energy-oriented. It is a result of the world energy crisis which followed the establishment of OPEC. Australia, rich in minerals, particularly coal, attracted foreign developers who, as owners of these resources, promote them in the world markets. It is also due, in part, to a restructuring of the western world’s economy by major multinationals, assisted by governments in countries where the multinationals have established enterprises. Within a decade or less, this restructuring may have extremely harmful effects on Australia.

The resources boom does provide a certain number of jobs in the construction, and then in the operation, of mines, smelters, berths, oil rigs and so on, as well as, sometimes, in the construction of towns. But most of the resources projects are heavily capital intensive. It is not unusual to see a production workforce of only one worker for each $1 million of capital expenditure. This is the case with most open cut mines, and it will be the case with the smelters now being built. Only multinational and large-scale capitalists, backed by foreign bankers can make that type of investment. It is not John or Jane Citizen, the small Australian investor, buying shares in major Australian companies.

The investment in the resources boom takes place at the expense of Australia’s manufacturing industry. The resources boom will make Australia a major exporter of energy resources and aluminium, with multinational companies holding a dominant position.

The value of the boom in terms of dollars and cents was outlined by Dr. Llew Edwards, Deputy Premier of Queensland, at a recent seminar:

Only two decades ago, the value of this state’s mineral production was only some $100 million.

In 1968, the value of production broke the $200 million barrier.

In 1976, the value of mineral production topped the $1,000 million mark and last year (1980 - H.H.), it reached a record $1,813 million. Last year’s figures would have gone close to the $2,000 million mark had it not been for the protracted coal industry strike and other disputes.

Over the same period, there has been a commensurate increase in state revenue from mining royalties and rail profit. In 1979-80 the state received mining royalties of $73 million and rail profits of $86 million. The net effect is that the burden of providing government services and facilities is greatly reduced for the taxpayer. The benefits of the resource projects are thus being made
available to all Queenslanders, and at an increasing rate as the development continues.

At a time when the states have been asked to tighten their belts, the revenue from mining activity assumes increased importance.

**Manufacturing industry**

I do not agree with Dr. Edwards that benefits of the resources projects are being made available to us all. In order to make our trade equitable, this enormous export of resources means there is tremendous pressure on Australia to import goods. We are importing manufactured goods which we could be producing ourselves, but are not. The controllers of the global economy of the western world, that is, the multinationals, have decided which countries will produce particular products. They have already closed down sections of our manufacturing industry, or transferred these sections to cheaper Asian areas with which Australian factories cannot compete effectively. The multinationals have set up “Free Trade Zones” with host countries in Asia.

Much of the Australian manufacturing industry that has served us well in the past will soon no longer exist. Some sections of manufacturing, such as factories producing rubber goods, footwear, textiles and clothing, have already been seriously weakened. Their continuing decline acutely aggravates the unemployment crisis.

Australia’s self-sufficiency and national independence will suffer from all this. The plaudits of Bjelke-Petersen, Fraser, Anthony, Lang Hancock and others for what they call the “great resources boom” cannot compensate for de-industrialisation of our economy. There will be short-term benefits confined relatively to a few. But little is being said of the consequences which are being, and will be, experienced by many people.

Certainly, we should share our resources with those who need them in other countries. But we should not do this at the expense of self-sufficiency, independence and community well-being.

One cannot scoff at the potential investment in the resources boom. The current and projected capital investment in the resources boom is mind-boggling. The potential investment for Western Australia is $10 billion. This includes over $4 billion for the North-West Shelf. Queensland’s potential resources investment is $8.790 million in Central Queensland Mines (Queensland coal mines are 84 percent foreign-owned), smelters and other projects. New South Wales has a projected potential of $7,230 million, South Australia has an estimated $2,642. Back in the field is Victoria, the second most populous state, with an investment estimated at about $2,370 million.

It wasn’t all Hamer’s fault that the Victorian economy is in bad shape. The rich resources are found outside of Victoria, and this state is suffering from the restructuring and de-industrialisation of manufacturing industry. There has been a 13.2 percent reduction in the workforce in Victoria’s manufacturing industry; 13.2 percent equals 68,500 people. Some of these may come to Queensland looking for the big money that is allegedly floating around on major resources projects. But a significant percentage would be older workers who very seldom are prepared to travel to start all over again. When they lose their jobs, either they remain unemployed or else they find other jobs, usually lower-paid and very often outside the industry in which they are experienced and skilled.

Any shortage of skilled labor condemns those in control. Skills can be lost forever. In 1974, for example, the workforce in the building industry was reduced by some 70,000 workers, a number of whom were highly skilled. Despite the fact that the building industry has now picked up and needs more skilled workers, many of those employed until 1974 have not returned to the building industry.

**Construction projects**

The construction of projects associated with the resources development requires worker mobility. To obtain this, the employer attempts to attract the worker with higher wages.
A typical project construction worker is male and under the age of 35 years; generally, he does not belong to the town, locality or area where the construction is situated. He comes from out of town, often from out of the state. There is a big complement of Victorians and New Zealanders working on major construction projects throughout Queensland.

Usually, the construction worker has a young family. Families are often domiciled in the town closest to the site, but that can be up to 300 kilometres away. Ten per cent of families live on the site in company caravan parks.

Single workers are accommodated in what are called "dongas" — on-site camp accommodation. If he is a building worker or civil worker involved in constructing the camp foundations, site or road preparation, he is required to be even more nomadic and mobile than other project workers. He spends about five or six months on each project. A metal worker can expect employment in the one place for a period of 12 to 18 months, or longer.

The construction of major projects for the resources boom sees frequent shifts of workers and their families from one site to another. This usually means time lost between jobs, and no wages. Some of what is supposed to be such good money — a building worker receives $68.25 over-award payment — is eaten up in the lost time between jobs and in the cost of travelling to rejoin families at weekends. The killer in the resources area is not unsafe practice on the job, but death on the roads getting from town to the job. And boredom or lack of worthwhile entertainment on the construction sites can add to the pressure to spend more money than might be normal on drinking and gambling.

Now let's consider in some detail the accommodation available to construction workers. For single men, the air-conditioned "dongas" are now the norm. There are eight rooms in each unit. Each room is approximately 2.5 metres by three metres, with a bed, a table, a chair, a built-in wardrobe and the air-conditioner. Air-conditioning did not come about by the good grace of the employers. They agreed reluctantly to this facility after seven or eight years of fairly intensive struggle and argument.

Even now there are a few employers and major clients who want to argue their way out of the agreement by suggesting that the heat at, say, Hay Point may not be as great as at German Creek, and therefore fans will do instead of air-conditioning units. Some don't supply accommodation at all.

And now consider the site. Most of the mines are built in the desert; there is nothing there except open country where cattle and bullocks graze, where roads have to be built, water has to be piped, electricity and rail lines constructed. The sites are often situated hundreds of kilometres from any major centre.

The camp site

The camp site is laid out so that each "donga" opens onto an open verandah which is referred to as a "breezeway". This is a covered way between two rows of "dongas". There can be anything from 16 to 32 "dongas" facing one another with a central breezeway. At the end of each breezeway there is an ablution block with toilets, wash basins and showers. Each camp also has a couple of laundries, a mess hut, a community building and a wet canteen. Most of these units are transportable. They are shifted from camp to camp.

A married man with his family on a construction project is offered a caravan site. This consists of a concrete pad for the caravan annex and the provision of lighting, ablutions and laundries. To help compensate for living in caravans and not requiring the companies to spend any money on feeding them, these workers receive a $30.00 allowance per week.

Permanent camps are built on site by the construction workers for the production workers. These are of higher standard. Single men's accommodation is equivalent to three-star motel accommodation. Houses are built, too. But none of these are made available to construction workers. The powers-that-be
have decided that "dongas" and caravan sites are good enough for them.

To date, the employers and clients have got away with this situation, but I don't think that will be the case for much longer.

It is timely to reflect on the earlier resources boom in the late 1960s and early 1970s with the construction of the Q.A.L. Alumina plant at Gladstone, the berthing facilities built at Hay Point and the construction of the Greenvale Nickel plant, quarry and rail line. At that time, the major clients, employers and the state government thought they had little or no responsibility for the accommodation of the construction workforce and their families.

Quality of life

Gladstone reached a situation in the early 1970s where one in four people lived in a caravan park. The local council had to introduce by-laws to allow temporary accommodation in the local showgrounds, while the Bole Street caravan park had 1,250 people living almost on top of one another.

A similar situation developed in Mackay during the construction of the Hay Point berthing facilities. The showground had to be opened up to construction workers because the employers accepted only token responsibility for accommodation.

In the first years of the 1970s, the Townsville Council had to make the decision to shift hundreds of construction workers who were squatting on the Esplanade. This was during the early period of the Greenvale Nickel project. The construction companies couldn't accommodate these workers nor could the town.

We have learned some lessons from those days, but serious problems remain.

To examine the social impact and quality-of-life issues associated with the resources boom, one has to differentiate between projects such as mines built in entirely new areas, and projects built in established areas.

In the case of the construction of a new mine, it is usual that a new town is also built. Mines built at German Creek, Gregory, Saraji, Peak Downs, Norwich Park, Oaky Creek, all have new towns that service them — mostly nice little towns with a good environment and a very pleasing community atmosphere. But these are often hundreds of kilometres from any major centre and, therefore, far away from parents, sisters, brothers and friends. Such isolation contributes to physical and mental trauma experienced by young workers, especially young parents.

The construction of a township lags many months behind the construction of a mine. The first houses built in the new towns are made available to the management and top staff of the construction authority. Other houses that come on line remain empty until the occupancy is taken up by the production management and staff. Houses are never made available to construction workers, but the company makes them available to the production worker at a subsidised rent. The occupant is urged to buy the house, and many do so.

In some of the major project areas, a very heavy lobby is beginning to surface among the workforce, both in construction and in production, for the temporary camp sites and the permanent camp sites to be built in the environment of the closest town rather than at the site of the project itself. The construction workforce at the Gladstone smelter should be accommodated in the Gladstone environment rather than at Boyne Island, 30 kilometres from town. This would provide the possibility of a variety of activities outside of working hours.

Gladstone

But all is not well in Gladstone itself. The conditions it is experiencing are a classic example of what happens to a town and its people when they are associated with rapidly developing construction and production of major enterprises. The shocking social consequences prompted the Building Workers Industrial Union to initiate the research for, and the publication of, a booklet on the effects of the resources boom on the town. Appropriately named Busting with the
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Boom, this booklet is available from the BWIU, Queensland Branch, or from the Trades and Labor Council of Queensland.

Up until 1960, Gladstone was a fairly placid town with a population around 7,200. In 1963, the Gladstone Meatworks (Swifts) which was part of the United States-based National Meat Group was abruptly and callously closed down. Lots of people thought it was the end of the town but several years later Gladstone developed into a major port and the world’s biggest alumina plant was constructed on the site of the former meatworks.

In the mid-1960s it wasn’t possible to foresee the development about to happen around Gladstone. This failure to anticipate the future was one factor contributing to Gladstone’s low quality of life during the construction of Q.A.L. and such other major facilities as the coal loaders and shipping berths.

It was possible to imagine a temporary boom until the completion of Q.A.L.; then construction would move on. But it didn’t; it transferred a mile across the harbor to the site of the Gladstone power station.

Whatever the excuse for the 1960s, there is no excuse today. We now know what is in store for Gladstone. While the population in 1960 was 7,288, in December 1979 it was 26,250. The estimate for 1985 is 46,200 and a population of 62,500 is projected for 1990, and these projected levels are based only on developments now under construction or in the late stages of planning. With this knowledge we should be able to plan properly for the needs of Gladstone’s people. Growth of population needs a corresponding growth in services and facilities. So far, the services and facilities have not been provided.

The current situation

The current situation in Gladstone is one where more and more people have to live in caravan parks. Some houses are being built, for example, the owners of the new smelter are building a considerable number of houses at Boyne Island. But these will only be made available to production workers when the smelter starts to come on line. They are not available for the thousands of construction workers who make up the town’s population at present.

And some people are cashing in on the housing shortage. Two-storey buildings are going up all over the place. The weekly rent for a unit is around $120, with a month’s rent in advance and a $250 bond — the landlords don’t want what they call “riff-raff”.

In the pre-planning for the smelter, the unions proposed that houses be constructed prior to work commencing on the smelter, but no houses were made available. Following discussions with the constructors of the smelter, single men’s accommodation was provided for 100 workers and a caravan park was made available to accommodate 60 people, but this was for a workforce which the company knew would peak at 1,700 plus 300 or more employed in ancillary workshops around town.

Less than six months into construction, the company got into difficulties accommodating employees. A temporary camp was used to accommodate a further 50 workers, and negotiations took place with the Calliope Shire for more land to extend a temporary camp for another 150 workers.

The easy way out for some companies is to pay the employee a $98 living-away-from-home allowance in place of free board and accommodation. But such a policy causes enormous hardships in the community. It forces up rents and other charges. And, of course, the companies always want to argue that the workers have “local status” since these workers are not entitled to any allowance. It is not easy to define a local in a community whose population increased nearly four times in fifteen years.

In 1980, a survey in Gladstone showed a majority of these interviewed thought accommodation, rents, the cost of living, transport, child care, recreation facilities, schools and work availability all unsatisfactory to very unsatisfactory.

Gladstone, like other towns affected by resources development, also offers few
employment opportunities for women. Sexist attitudes prevail at all levels, including in the unions. Women are seldom considered for employment on construction or production.

Action

On March 4, 1981, I made the following statement to the Gladstone Observer:

We (the BWIU — H.H.) feel that all future major construction should be halted until such time as accommodation (houses, not caravans) and other facilities are available, and a scheme is worked out to give more relief to local residents from high rents and other service charges.

Should the government refuse to co-operate, the Trades and Labor Council should call a stopwork meeting of all members of all unions on all projects and other workplaces in the Gladstone area, and also extend invitations to community groups and citizens to attend the meeting.

Such a gathering could be the beginning of a large protest movement demanding that the people's quality of life must come before so-called development.

Gladstone's mayor, Col Brown, responded:

Although I don't condone such action, it might be a definite means of gaining attention from the governments.

He indicated that only a short time before he would have considered such a call for action irresponsible, but lack of response from both state and federal governments had changed that.

The mass meeting took place on July 1. A public debate preceded the meeting. It was advertised through the distribution of 5,000 leaflets and a half-page advertisement in the local press.

The resolution before the meeting said:

This meeting of Gladstone workers resolves to ban any further major construction in the Gladstone environment until assurances are given by state and federal governments and companies that adequate finance will be made available to overcome infrastructure and community service needs of the area to the satisfaction of the executive of the Trades and Labor Council of Queensland in consultation with the project unions and the Gladstone Trades and Labor Council.

Major projects shall be defined from time to time by the executive of the Trades and Labor Council of Queensland, in consultation with the project unions and the Gladstone Trades and Labor Council, having regard to the capital cost and to the impact any resultant labor force increase, construction and/or operations, would have on the Gladstone social structure.

The mass stopwork meeting was called by the Queensland Trades and Labor Council, with the support of the Australian Workers Union, the Gladstone Provincial Trades and Labor Council, the Council of Australian Government Employee Organisations and almost forty individual unions. It was held in the showground — the former emergency caravan park.

The people in Gladstone know from experience the shortcomings and lack of facilities in their town. In 1972, the National Times has described Gladstone as: "A slum with the world's biggest alumina plant". Until now, however, many residents have felt unable to do anything effective. They are aware of the awesome wealth and power of the companies — including offshoots of such multinationals as Kaiser of the United States, Rio Tinto Zinc Corporation of the United Kingdom, and Sumitomo of Japan. There have been divisions, of greater or lesser degree, among the community — between workers and others, between "locals" and workers from elsewhere.

Mass meeting

The July meeting may well have transformed that situation. It brought together workers from virtually all jobs and callings: a group of hotel service workers stood alongside a knot of workers who had come straight from the smelter construction site. About 4,000 people were present. Labor Council president, Harry Hauenschild, who chaired the meeting, called it "a historic gathering".

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Union speakers stressed that they do not oppose development, but they are against anything which, in the name of "development" worsens the lifestyle or the environment, or both, of the local communities. They oppose multinationals which take huge sums in profits out of the community but allocate only relatively minor and quite inadequate amounts to meet the needs which their operations have created.

The first speaker, a metalworker from the powerhouse, was against the motion, he saw it as a threat to jobs. The next speaker, who had come to Gladstone from Western Australia, was also against. Then others spoke. A construction worker in a Jackie Howe singlet told of the effects of caravan life and other conditions:

Mum suffers, the kids suffer and dad is glad to get away from it for eight hours a day at work.

He said that the multinationals were affecting Australia.

So let's do something about it; it's our bloody country. Vote for your own future, the futures of your wives and kids. Vote for Australia.

It came eventually to the time to vote. There was to be a count if the voting was at all in doubt. In fact, a forest of hands, thousands of them, were raised in favor of the motion; a mere sprinkling of hands was against.

The workers, fed up with social inequality, decided overwhelmingly to be part of the decision-making process on development in the area. Wherever union members gathered after the meeting — in the pubs, in the street, and back on the jobs, there was animation and jubilation. And this spirit flowed through to other sections of the community. There was a feeling that, after years-long frustrations and exasperations, something decisive was now on the agenda which could compel action to end the notoriously dismal housing situation and other social conditions, in what Premier Bjelke-Petersen has audaciously called "the glamor development area of Australia".

The mass meeting was a first step, but a big step. Consultations will be held with the whole community to ensure a concerted and co-ordinated common effort. Co-operation will be sought from governments and the companies.

Press reaction

Next day the *Gladstone Observer*, in its editorial, said:

The revolution has come.

Gladstone is a city in revolt.

The Gladstone workers who voted overwhelmingly at a mass meeting yesterday to ban major construction work until the city gets aid have issued governments and big companies alike with the final ultimatum.

The ultimatum is simply this: Pay up or stay out.

The problems of boom city have long been aired in the national media. The boom has brought big companies to Gladstone in search of big profits but the rapid influx of workers has also placed big burdens on local facilities and amenities and dramatically forced up the cost of living. Accommodation rentals have gone through the roof, real estate prices have skyrocketed, rates have soared, and social welfare facilities have been strained to the limit and beyond.

The cost of living in boom city has prompted many people to label it "doom city", forced lower income earners and pensioners to head for the hills. Local residents have complained about the industrial pollution problem and conservationists have warned that worse is yet to come.

The description is apt. While the revolution hasn’t arrived, a further comment from the Observer sums up the attitude of Gladstone's workers:

But at the very least, their actions will serve as a gesture of disenchantment, a symbol that a boom is only a boom when all reap the benefits.