

## Fact Sheet 6

# Flexible work practices build a nationally competitive construction sector

Victoria's construction sector is now among the nation's most competitive, with flexible and innovative work practices a key reason for its improved performance.

Indicators including access to labour, costs and risk show that competitiveness on Victorian building sites has steadily improved in recent years and is now on par with Queensland.

The Building Industry Comparative Index, which compares 16 cost and risk variables, shows that Victoria has narrowed the gap, improving 19 index points since 2002. It is now within five index points of New South Wales.

The Index is based on seven years of data from sources including the Australian Bureau of Statistics, State and Federal governments and private sector organisations such as Westpac and leading quantity surveyors Davis Langdon and Rider Hunt.

A more cooperative and unified sector, stable building costs and a dramatic drop in industrial disputes are factors in Victoria's turnaround.

The latest version of the Index, reflecting the half year to December 2006, confirms that:

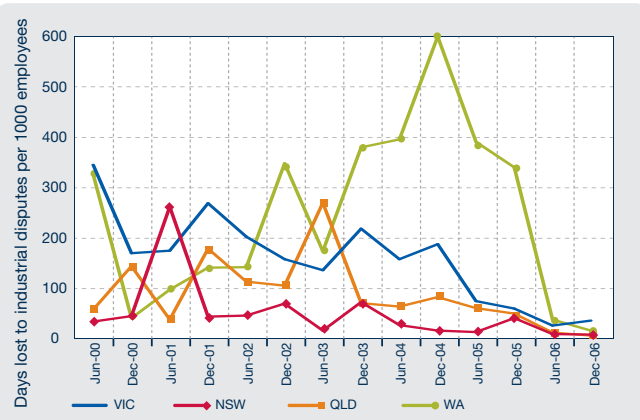
- > Victoria's value-add (total factor income) per employee has increased from \$72,000 in 2000-01 to \$94,000 in 2005-06
- > Victoria construction sites are among the nation's safest, with 21.3 injury claims per thousand employees, significantly less than other states
- > Days lost to industrial disputes in the construction sector have dropped from 343 days per 1000 employees in the June quarter 2000 to 31 days per thousand now.

Victoria's construction industry is nationally competitive, innovative and united. Employers, all levels of government and trade unions are continuing to work together to introduce more flexible work practices, including improvements to the scheduling of rostered days off and working days, that will see the continued consolidation of these productivity gains.



Photos: courtesy Thiess John Holland

### Industrial Disputes



Source: ABS

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## Flexibility a win-win situation for everybody

Since early 2005 Australia's largest urban infrastructure development, Thiess John Holland's \$2.5 billion EastLink project has forged a path through and under Melbourne's southern and eastern suburbs. The project is also achieving new industrial relations milestones.

Two greenfields site agreements with the Australian Workers Union and the Construction Forestry Mining Energy Union were negotiated before the commencement of the project to cover the civil construction work. The agreements include many industry leading employee benefits, including superannuation contributions rising to 11 per cent, as well as a range of flexible work practices for the project.

Perhaps the greatest innovation is the working calendar, which has been developed to give the employees some flexibility with their leisure time as well as assist the joint venture to meet its program targets. The employees still receive the industry standard 26 rostered days off (RDOs) each year. Under the EastLink arrangements, 13 of these are programmed as part of the project calendar, while the other 13 can be taken at times that suit individual employees and the demands of the site.

For Thiess John Holland, this means that, unlike the former rigid RDO system, maintenance and emergency work and critical program work can be undertaken on rostered days off, with appropriate notice. For employees, it means the opportunity to use their RDOs to take blocks of leave that better suit their family or other commitments.

Other productivity initiatives include an agreement to operate without non-working union delegates, a core team of more than 600 directly employed people and a system where the elected OH&S representatives work in partnership with more than 20 dedicated OH&S professionals and support staff.

Tangible benefits include the impending completion of the project well ahead of its November 2008 deadline and a remarkable degree of industrial harmony. The project has had no work bans or stoppages related to project issues and only 160 hours lost as part of broader industry-wide union campaigns.

"We now have a flexible and co-operative working culture where our people are working with us to ensure that the project is successful. That's been a huge benefit," EastLink's general manager of human resources, Julian Rzesniowiecki, says.

He says the key reason for the successful agreement was the joint venture having a clear vision of what was required to deliver the project successfully before entering into the negotiations.

"We did not seek to water down industry working conditions; rather we wanted to develop an agreement that was a win-win situation for everybody. Looking back over the project to date, I believe that all stakeholders would agree that this has been achieved."



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