



29th July 2021

Mr. Daniel Lee
Chamber of Commerce & Industry WA

cc: Mr. Lee Harding
Bechtel HR Manager

RE: Pluto II Greenfields Agreement

In our phone conversation on Friday 17 July I informed you that I wanted to review the ETU's position on the CCI proposal for a new Pluto II Greenfields agreement to replace the Laing O'Rourke one of 2019.

I've also spoken to Bechtel HR manager Lee Harding in a similar vein and now put to you our position.

1. *We reject the proposal that wage rates commence at the 2019 rates stated in the Laing O'Rourke agreement.*

That document was negotiated in 2018/19 and reflected agreement between the parties of a realistic and fair wage rate for a major petrochemical construction project in WA, compared to the rates paid elsewhere in the state at the time. Since 2019 there have been many metalliferous construction projects throughout the state where the rates of pay for skilled workers have increased substantially, most prominent for the electrotechnology trades. As evidence of those wage increases I attach the ETU WA flyer, which has been acknowledged by the CCI and many of its major construction contracting members as entirely accurate.

Furthermore, current upward wage pressure for skilled labour will only increase in the near future due to competition associated with upcoming work throughout Australia, and the inability to control the spread of coronavirus, which will limit the movement of overseas & interstate workers to plug the gap created by decades of insufficient investment in training enough local young people in apprenticeships to alleviate any potential skill shortages.

Therefore, we believe that the 2019 rates should not apply to the new Greenfields agreement. Instead we propose that the commencement rates be those of 2021 as stated in the Laing O'Rourke document. Those rates would deliver greater security in attracting and retaining the skilled workforce necessary to successfully complete the project (on time and within budget), which will occur during increased skilled labour competition from other large construction/infrastructure projects in the eastern states running simultaneously.

Given that our proposal adds only 5%, compounded, to the base hourly wage rates (which would equate to approximately 1% of the total project costs, and below the inflation rate of the last 2 years), this is not an unreasonable claim and should be looked upon favourably by the client and Bechtel.



2. You've proposed a 'Utilities assistance' allowance of \$42.50 p/d for local workers in lieu of the traditional 'Local Living Subsidy' allowance which has applied on many WA projects in the past.

The LLS paid on the last WA petrochemical construction project was substantially more than your proposed amount and we claim that this be increased by a further \$20 p/d to reflect a more realistic amount throughout the term of the project. Given that it has been widely remarked that locals will make up a tiny portion of the workforce the added cost to the project in agreeing to this claim would be negligible, but helpful to those few local workers who would qualify for it.

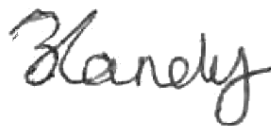
If you would like to meet to discuss these issues further, please contact the undersigned at your convenience.

We look forward to your prompt response.

Respectfully,



Steven McCartney
AMWU WA Secretary



Bradley Gandy
AWU WA Secretary



Michael Buchan
CFMEU WA Secretary



Peter Carter
ETU WA Secretary

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