

# Unions dig in over dispute with Gorgon

Angela Macdonald-Smith

Trade unions are preparing to ballot workers at Chevron's \$US54 billion (\$73 billion) Gorgon LNG project in Western Australia over strike action as they dig in their heels in a bid to increase their time off by about a third.

The Australian Manufacturing Workers' Union accused the US gas giant and key Gorgon construction contractor CB&I of ignoring advice to introduce "family-friendly" rosters, and said workers had been "taken for granted" and now "want to take a stand".

Workers at the Barrow Island onshore site for the Gorgon project are already among the highest paid in the world, earning more than \$200,000 a year on average, according to sources. CB&I has offered further wage increases amounting to 5 per cent within a six-month period and improved benefits, including longer parental and compassionate leave, but the offers have been rejected as workers demand shorter work cycles.

## Key points

Trade unions preparing to ballot workers over strike action on rosters.

Workers want shorter, 'family-friendly' work cycles.

In the course of several months of negotiations on a replacement enterprise agreement for about 1800 fly-in-fly-out workers employed on Barrow Island, CB&I has offered at least two options for shorter work cycles, but has stopped short of the 20 days on-10 days off roster demanded by one hard-line faction.

The AMWU and the Construction, Forestry, Mining and Energy Union on Friday secured authorisation from the Fair Work Commission to ballot workers on whether they support stoppages of up to 24 hours, and bans on administrative work.

The escalation of the dispute comes at a critical time for the Gorgon project,

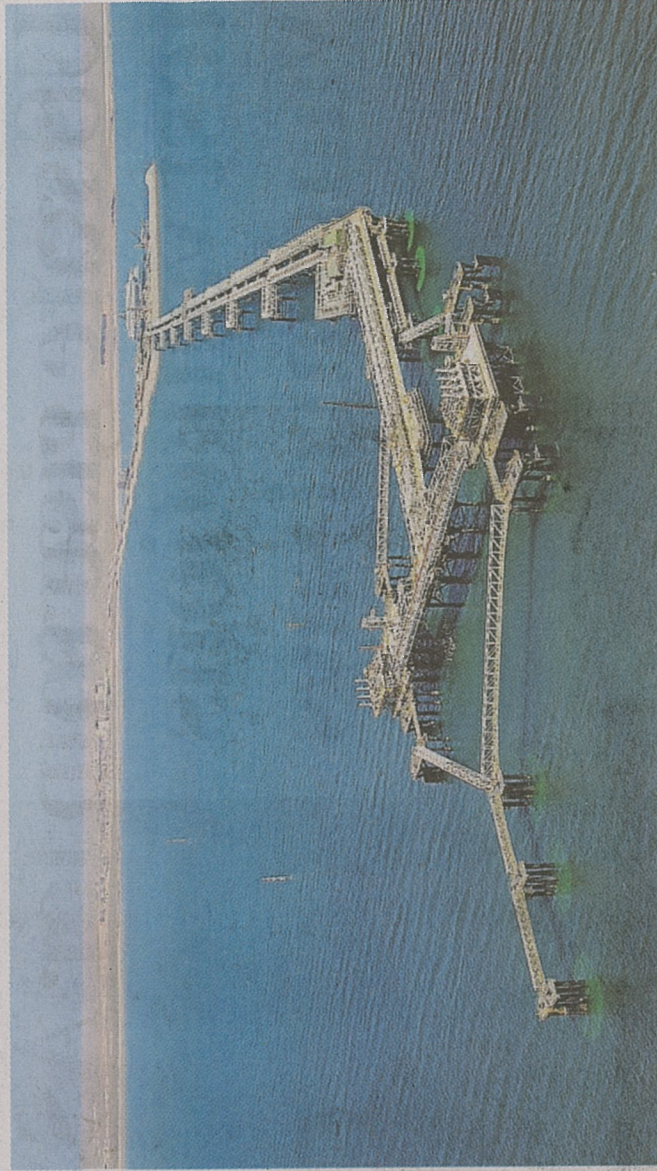
has been completely reorganised and the cost-out program has worked. "Most don't," he said.

some traction. It has also established a financing arm. The standstill with NEC expired mid-year.

farmers' confidence that the longer-term viability of the dairy industry is strong."

Zealand-based co-operative has matched its local competitors with

"We don't get the dizzy heights of the global market like they do, but, by the



Industrial action at the LNG project would put the latest schedule, for first exports by the year-end, at risk.

which is running \$US17 billion over budget and more than a year late. Industrial action would put the latest schedule, for first exports by the year-end, at risk.

It has also highlighted a major flaw in the work bargaining framework, which sets a four-year maximum duration on enterprise agreements. That leaves proponents of major construction projects such as LNG plants, which can last years or more, effectively held ransom by claims for improved conditions as deals expire with the critical last months of work still to complete.

Chevron Australia boss Roy Krzywo-

sinski has on several occasions called for strong action to attack a surge in construction costs that is crippling Australia's gas industry, putting at risk a \$100 billion-plus second wave of investment in LNG production.

According to KPMG, resource project construction wages have surged by 16.6 per cent on average between 2001 and 2012, to approaching \$US130 an hour, double rates in the US and more than six times rates in Brazil.

But AMWU WA state secretary Steve McCartney said the issue was "not about the money".

"It's about workers who just want

more time with their families while doing the best they can for them," he said, pointing to recommendations in the WA Parliamentary Inquiry into FIFO Mental Health for even-time rosters, where a cycle of work is then followed by an equally long time off.

CB&I has offered to change the current 26 days on-9 off (26-9) cycle for FIFO workers to 23-9 or to 25-10 in packages of conditions put to a ballot. The package has also included a 3 per cent wage increase from July 1, 2015, and another 2 per cent from January 1, 2016. Workers also get improved accommodation payments.