

## CHAPTER 7

### THE MASTER BUILDERS ASSOCIATION OF NSW 1946 - 1960

#### GROWTH, PROSPERITY AND A CHANGE IN STRUCTURE

##### Introduction

The period from 1946-1960 was one of economic boom. A more affluent society created greater demand for building. The building industry faced labour shortages that were eased by post-war immigration involving assisted British and European migrants, which by June 1959 had numbered 360,156 and 341,685 respectively.<sup>1</sup> The creation of the Snowy Mountains Hydro-Electric and Irrigation Scheme in 1949 boosted the federal government's immigration program by attracting large numbers of engineers and skilled tradesmen from overseas.

Initially there was as a scarcity of building materials which was exacerbated by restrictive legislation designed to monitor the distribution of building materials. In seeking to meet the need for public housing, the Housing Commission of NSW virtually confiscated available labour and materials to the detriment of the private housing sector. Legislation designed to assist returned soldiers in obtaining housing created hardship for property owners and property investors. In the early 1950s building controls were eased by the NSW government.

There were external changes that impacted on the MBA. The increase in the size of building as well as State investment in power stations attracted larger firms from overseas and changed the character of the building industry. New construction methods also created a need for more complex contractual relationships and a need for more sophisticated management of industrial relations. While the functions of the MBA/NSW remained unchanged, these changes were to impact on the structure of the association. Further, cracks appeared in the longstanding 'internal equilibrium' of the MBA/NSW, particularly immediately following the end of the Second World War.

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<sup>1</sup> Manning Clark, *A Short History of Australia*, 2<sup>nd</sup> ed., Mentor, New York, 1980, p. 250.

## The Context

The Australian Labor Party (ALP) held government in NSW without interruption during the period covered in this chapter. William McKell had been Premier since 1941. Despite his initiative in creating the NSW Housing Commission in 1942 and the Commonwealth-State Housing Agreement signed in 1945, an acute housing shortage caused ‘overcrowding, shanty towns’, over-taxed boarding houses and high rents. McKell also had to deal with industrial unrest. In 1945, there were severe power shortages from a strike at Bunnerong power house. There was also a steel dispute late in 1945 and a gas strike in December 1946 and January 1947. In addition, McKell faced growing unrest in the parliamentary party and by early 1946 he had enough of politics. Despite appearing to have had ‘second thoughts about his [foreshadowed] retirement,’<sup>2</sup> he resigned in early 1947 to become Governor General of Australia. He was succeeded by James McGirr who successfully led the ALP to victory in the 1947 NSW elections.<sup>3</sup> By 1950 the ‘long boom’ was well underway in NSW and the average nominal weekly wage had increased by 34.3 per cent over the preceding three years. Rising prosperity had led to a greater demand in consumer goods and the proportion of those employed in factories had increased by 11 per cent between 1947/48 and 1949/50.<sup>4</sup> In 1952 John Joseph Cahill succeeded an ailing McGirr inheriting a tired government within a political environment in which *administration* rather than *policy* was seen as the appropriate role due to its increasing subservience to the federal government. As Clune observed:

[To] Cahill and many of his colleagues in the NSW Labor governments of the 1950s, the McKell reforms of the 40s, post-war full employment and rising living standards, the provision of comprehensive social services and the steady Commonwealth encroachment seemed to indicate that all Labor’s traditional aims in the State sphere had been accomplished.<sup>5</sup>

During the Cahill years Labor in NSW ‘reached its post-war nadir.’<sup>6</sup> Cahill had the advantage of an ineffective opposition due to dissidence within the Liberal Party over its goals and leadership, and due to the inability of the Liberal and Country Parties to achieve agreement in the mid-1950s.<sup>7</sup> He was a skilful leader and played a major role in

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<sup>2</sup> David Clune, ‘The McKell legacy’, in Michael Hogan and David Clune (eds.), *The People’s Choice: Electoral Politics in 20<sup>th</sup> Century New South Wales*, vol. 2, Parliament of New South Wales and University of Sydney, Sydney, 2001, pp. 237, 241-2, 245.

<sup>3</sup> *Ibid.*, p. 245.

<sup>4</sup> Clune, ‘The new McGirr government’, in Hogan and Clune (eds.), *The People’s Choice*, p. 269.

<sup>5</sup> Clune, ‘The 1953 Election’, in Hogan and Clune (eds.), *The People’s Choice*, p. 297.

<sup>6</sup> Clune, ‘The 1959 election’, in Hogan and Clune (eds.), *The People’s Choice*, p. 364.

<sup>7</sup> Frank Frost, ‘The 1956 Election’, in Hogan and Clune (eds.), *The People’s Choice*, p. 324.

ensuring there was no major split in the NSW Labor Party in the 1950s. He was successful in managing the conflict within Caucus, and in exercising discipline to intractable ministers, such as his sacking of Clive Evatt from the ministry in 1954.<sup>8</sup> In May 1957, in the face of fierce opposition, Cahill pushed through his plans for an Opera House and to run special lotteries to fund its construction.<sup>9</sup> Joseph Cahill died in office in 1959 and was succeeded by Robert Heffron.<sup>10</sup>

NSW Labor Governments passed a number of important Acts of parliament during their 25 year incumbency. They legislated for two weeks' annual leave for all workers in 1944, which was extended to three weeks in 1958, and a 40-hour working week in 1947. It had passed an Act that enabled the Industrial Commission of NSW to incorporate provisions for long service leave into awards and agreements but, due to the scant number of awards that received the benefit, the government extended long service leave to all workers by the passage of the *Long Service Leave Act*, 1955.<sup>11</sup>

The power and influence of the state governments had diminished due to the powers granted to the federal government over income taxation. Cahill waged a persistent campaign against the Menzies government over the uniform tax system.<sup>12</sup> As Groenewegen observed:

The “golden age” of Australian federalism as far as the states were concerned came to an end with the Second World War. The organization of the war economy and the later plans for post-war reconstruction under the Curtin-Chifley governments (1941-1949) placed tremendous strains on Federal-state relations, and provided the foundation for total states' financial dependence which has persisted in the post-war period.<sup>13</sup>

At the federal level, Chifley had succeeded Curtin on his death in July 1945. In 1946/47 the Chifley government initiated plans to encourage migrants from Britain and Europe,<sup>14</sup> and funded the Snowy Mountains hydro-electricity and irrigation scheme. There were problems with the Communist Party which had an influence in many

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<sup>8</sup> Clune, 'The 1953 Election', pp. 300-301.

<sup>9</sup> Clune, 'The 1959 election', p. 363.

<sup>10</sup> Ibid., p. 378.

<sup>11</sup> Greg Patmore, 'Industrial Conciliation and Arbitration in NSW before 1998', in Greg Patmore (ed.) *Laying the Foundations of Industrial Justice*, The Federation Press, Sydney, 2003, pp. 29-30.

<sup>12</sup> Clune, 'The 1959 election', p. 357.

<sup>13</sup> P. D. Groenewegen, 'The political economy of federalism, 1901-81', in Brian W. Head (ed.), *State and Economy in Australia*, Oxford University Press, Melbourne, 1983, p. 184.

<sup>14</sup> *Sydney Morning Herald* (hereafter *SMH*), 23.11.1946, p. 5.

unions.<sup>15</sup> A serious strike in the coal fields in 1949 led the Chifley government to order troops to cut coal, an action that concerned the right-wing of the ALP and enraged its left-wing. Conservatives demanded that the Chifley government maintain law and order whilst the radicals called them agents of capitalism. The coal strike ended in August 1949,<sup>16</sup> but Chifley's government was convincingly beaten by the Liberal-Country Party coalition in the election later that year due to the electorate's rejection of continuing 'government control of their lives in the more prosperous post-war years.'<sup>17</sup> The victorious Liberal-Country Party coalition was to hold office for the next 23 years, and presided over the long boom of the 1950s and 1960s. Massive building and civil construction projects were undertaken and a wool boom that occurred in the early 1950s further boosted the economy. Robert Menzies (Prime Minister 1949-66) was able to successfully exploit Cold War concerns about communism to undermine the ALP which was confronted with the emergence of the anti-communist Democratic Labor Party (DLP). However, in NSW the DLP had less impact than it did nationally and in some other states due to its lack of support from the hierarchy of the Roman Catholic Church in NSW.<sup>18</sup>

The building industry underwent some significant changes. As construction projects grew in size and cost, large companies entered the industry. The Snowy Mountains hydro-electric and irrigation scheme succeeded in attracting construction companies to invest in the immense undertaking. One Dutch company, Bredero's Bouwbedrijf of Utrecht, formed Civil & Civic Contractors in 1951 with a capital of £10,000 - in conjunction with the Royal Dutch Harbour Company - to carry out work in Australia. That decision was made on the basis of the report of a 30-year-old engineer, Gerardus Jozef (Dick) Dusseldorp, whom they had sent to Australia in 1950 to appraise the situation. Under Dusseldorp, Civil & Civic was to dominate the building industry throughout Australia and, his Lend Lease Corporation Limited, floated in 1958, was one of the first of the many large public companies that were soon to operate within the NSW building industry.<sup>19</sup>

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<sup>15</sup> Bill Ford and David Plowman, *Australian Unions - An Industrial Perspective*, Macmillan, South Melbourne, 1983, pp. 125-7, 254.

<sup>16</sup> *SMH*, 15.8.1949, p. 1.

<sup>17</sup> *Ibid.*, 16.12.1949, p. 1.

<sup>18</sup> Clune, 'The 1959 election', pp. 357, 359-61.

<sup>19</sup> Mary Murphy, *Challenges of Change*, Lend Lease Corporation Limited, Sydney, 1984, p. 2.

There were changes in building methods and technology. In 1948, the NSW Government amended the *Scaffolding and Lifts Act*, 1912 to certify the drivers of power cranes and power hoists as well as riggers, dogmen, and scaffolders. There were also provisions for the design, construction, erection, use, maintenance, testing and inspection of cranes, hoists, lifts, scaffolding and plant.<sup>20</sup> The legislation was to apply from 1 June 1950.<sup>21</sup> New technology such as ready-mixed, prestressed and reinforced concrete, lift slab construction and the more sophisticated use of cranes was being employed in the building industry. For example, in 1953, H. W. Thompson Pty Ltd used a 5-ton crane with specially designed horizontal chord trusses and kibles designed to carry ready-mixed concrete by crane, to pour concrete foundations on the National Cash Register building in Ultimo.<sup>22</sup> Another innovation was introduced by W. McNamara Pty Ltd on a factory-office building at Riverstone when he used dwarf wall construction comprising a series of concrete slabs (12 feet x 4 ft 6 inches) each set in 3 inch steel channel-frames. These were lifted and tack-welded to steel pipe stanchions forming a wall 4 feet 6 inches high above which was constructed an upper wall and roof.<sup>23</sup>

The greater ownership of cars led a NSW Government Committee appointed by the Premier in May 1949 to agree with the Sydney City Council over the need for a parking station under Hyde Park.<sup>24</sup> By 1955, Sydney City Council was considering the effect on traffic congestion of the large buildings proposed for construction and insisting on the provision of car parking within the buildings. Civil & Civic Contractors had to provide five floors of car parking in its Caltex House project in June 1955.<sup>25</sup>

In 1956 a building boom commenced with Civil & Civic Constructions' Caltex House. This was followed by the MLC Building in North Sydney by Concrete Constructions and the City Council Parking Station at 279 Kent Street Sydney.<sup>26</sup> Also at that time were the AMP Building (North Sydney) by Robert Wall & Sons Pty Ltd, Unilever House by Hutcherson Bros Pty Ltd and Rannan House for the Electricity Commission of NSW by James Wallace & Co Pty Ltd. Concrete Constructions built the Qantas Building (Hunter Street) and ICI House (Macquarie Street).<sup>27</sup> T.C. Whittle Pty

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<sup>20</sup> *The Scaffolding & Lifts (Amendment) Act*, 1948.

<sup>21</sup> *Ibid.*, sec 1 (4); *NSW Government Gazette*, No 85, 25.5.1950, p. 1425.

<sup>22</sup> *Construction*, 22 .7.1953, p. 1.

<sup>23</sup> *Ibid.*, 17.4.1957, p. 5.

<sup>24</sup> *Ibid.*, 22.2.1950, p. 1.

<sup>25</sup> Murphy, *Challenges of Change*, p. 18.

<sup>26</sup> *Construction*, 16.1.1957, p. 5.

<sup>27</sup> *Ibid.*, 9.1.1957, pp. 4-5.

Ltd commenced the huge building at Ultimo to house the Government Printing Office in 1956.<sup>28</sup>

The growth in high-rise construction created new issues. High-rise construction had been inhibited by legislation, introduced in 1912, which restricted the height of buildings to 150 feet (45 metres),<sup>29</sup> due to the existing length of fire ladders and the limitations of steam-pumped water pressure. Civil & Civic Contractors used a legal technicality to bypass the height restrictions in 1956 when it commenced construction of Caltex House. This building was able to be built to a height of 72 metres due to a fall of some 12 metres from its legal frontage in Kent Street and due to its frontage to Jenkins Street. A number of other applications were made that year to build beyond the height limit and the Chief Secretary, C. A. Kelly, formed a Special Committee to consider the issue. On the recommendation of that Special Committee, in 1957, the NSW Parliament passed the *Height of Buildings (Amendment) Act* removing those height restrictions.<sup>30</sup> Investment in commercial and in residential buildings had been unattractive due to rent controls introduced during the Second World War by the federal government to stop profiteering.<sup>31</sup> In 1954 all new buildings were exempted from the Fair Rents regulations and by 1957 rent control was lifted for all new commercial buildings, thus making investment in both commercial and residential property more attractive.<sup>32</sup>

### **Structure and Leadership**

The 1950s was a time of enormous and dramatic change to the complexion of the building industry and to the MBA/NSW. The benchmark of what constituted a major building firm was suddenly altered during the 1950s. The growing complexity of building required those who tendered for major buildings to have large reserves of cash as capital to finance the undertaking. Companies that emerged to mobilize the necessary capital included Civil & Civic, the Fletcher Organisation, into which Howie Moffat & Co Pty had been absorbed in 1957, Sabemo Pty Ltd, John Holland (Constructions) and Thiess Bros. Public companies joined the MBA/NSW. There was a new type of member representative, the company professional, whose background was varied and whose approach differed greatly to those within the traditional family operations of which the

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<sup>28</sup> Ibid., 13.3.1957, p. 3.

<sup>29</sup> *Height of Buildings Act, 1912.*

<sup>30</sup> Murphy, *Challenges of Change*, p. 18.

<sup>31</sup> *Commonwealth Statutory Rules, 1939*, pp. 446-53.

<sup>32</sup> Murphy, *Challenges of Change*, p. 16.

membership of the MBA/NSW comprised. Whilst the managers of the large public companies were influenced by their shareholders' expectations rather than MBA policies, their responses were somewhat tempered by the numerous members from the family-owned builders, who had a long involvement in the MBA/NSW and understood its disciplined approach to industrial relations.<sup>33</sup>

The rise of the building companies also raised other issues. The acceptance into membership of building firms from other states, who operated in NSW, also impacted on the internal dynamics of the MBA/NSW as they brought the values and industrial responses acquired from their home states. In addition, many MBA/NSW members also worked in the civil construction area and some sought advice from other sources such as Employers' Federation of NSW and Metal Trades Industry Association (MTIA), which impacted on their attitudes to industrial relations in the building industry area. The professional character of the services provided by those two associations influenced the MBA/NSW to employ W. D. Ford, on 30 April 1951, as its first industrial officer. Ford had worked for the NSW Industrial Registrar prior to working for Commonwealth Industrial Gases as a personnel officer and later as an industrial officer for the MTIA.<sup>34</sup>

Those events were compounded by the absorption of suburban associations in 1957. The membership of these associations included housing builders. This broader membership required a different MBA/NSW management structure. Despite the events of the 1930s, many suburban Master Builders' Associations continued to operate. In early 1945, despite some dissenters within their ranks, the associations of Canterbury-Bankstown, which had called itself the Suburban Master Builders' Association since 1937,<sup>35</sup> and of Manly and Eastern Suburbs, approached the MBA/NSW seeking re-affiliation. The request was rejected due to the associate membership provision of the suburban associations under which suppliers of building materials were admitted to membership. Frederick Wilson stated that the MBA/NSW would not associate with merchant's representatives.<sup>36</sup> The resentment towards merchants arose out of disputes during the early years of the war over the dual contractor/merchant role adopted by some merchants who were able to undercut builders by their access to wholesale prices.<sup>37</sup> That

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<sup>33</sup> Interview with Mr. Stanley Robinson Edwards, who succeeded his father as managing director and chairman of A.W. Edwards Pty Ltd, 29 June 2004.

<sup>34</sup> *Construction*, 1.10.1952, p. 3.

<sup>35</sup> Canterbury Master Builders' Association, *Minutes of General Meeting*, 3.2.1937.

<sup>36</sup> MBA/NSW, *Report of Special Meeting - Suburban Associations and Executive Committee*, 20.3.1945.

<sup>37</sup> MBA/NSW, *Minutes of General Committee Meeting*, 13.5.1941.

explanation, however, is somewhat diminished by the fact that the Broken Hill Branch, formed in 1935, expanded its membership to include sub-contractors and ‘Merchants’ in 1939 without expulsion from the MBA/NSW.<sup>38</sup> A more realistic reason for the rejection of the suburban associations could be that provided to builders in the Eastwood area. The MBA/NSW had found affiliation of suburban branches ‘too cumbersome.’<sup>39</sup> The MBA/NSW did continue to grant affiliation to associations outside of the Sydney metropolitan area such as at Wollongong in 1940,<sup>40</sup> despite the existence of a local committee at Bulli.<sup>41</sup> An association established at Katoomba was affiliated with the MBA/NSW. The MBA/NSW Senior Vice-President, Austin W. Edwards, attended its inaugural meeting on 17 February 1948.<sup>42</sup>

All suburban associations affiliated with the MBA/NSW in 1953, and in 1957 a restructured MBA/NSW came into existence as it absorbed all suburban and country branches as divisions. Their members became direct members of the MBA/NSW from 31 December 1956.<sup>43</sup> A Sydney division was created for all existing MBA/NSW members.<sup>44</sup> A council of management was to oversee the enlarged association and an executive committee had responsibility for its day to day management. The first council of management took office on 1 January 1957, and whilst its initial officers were members of Sydney Division, the majority of Council members were from suburban divisions.<sup>45</sup>

The character of the MBA/NSW leadership changed in the post-war period. Prior to 1945, the leadership of the MBA/NSW had always been in the hands of leading builders. However, after the end of the war, the character of the MBA/NSW Presidency changed. Only four presidents were drawn from the major contracting area: David Girvan (1947-49) of Girvan Bros, A.F. Webb (1949-51) of Webb Bros, and C.E. Thompson (1951-53) of H. W. Thompson Pty Ltd, and Silas (Si) Edwards, of A. W. Edwards Pty Ltd, whose presidency in 1960, was to be the last MBA/NSW President drawn from ranks of the major contractors. Medium sized builders, who tended to focus on building homes in suburban Sydney, were growing in significance within the MBA/NSW.<sup>46</sup>

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<sup>38</sup> MBA/NSW, *Minutes of General Committee Meeting*, 9.1.1940.

<sup>39</sup> MBA/NSW, *Minutes of meeting of the Executive Committee*, 18.9.1945.

<sup>40</sup> MBA/NSW, *Minutes of General Committee Meeting*, 13.10.1940.

<sup>41</sup> *Ibid.*, 10.12.1940.

<sup>42</sup> MBA/NSW, *Minutes of Half-Yearly General Meeting*, 24.2.1948.

<sup>43</sup> MBA/NSW, *Minutes of Steering Committee*, 23.10.1956.

<sup>44</sup> MBA/NSW Sydney Division, *Minutes of Inaugural Meeting*, 4.12.1956.

<sup>45</sup> *Construction*, 12.12.1956, p. 1.

<sup>46</sup> Interview with Stanley Robinson Edwards, of A.W. Edwards Pty Ltd, 29 June 2004, Interview with Keith Campbell, Member MBA/NSW Council of Management in the 1980s, 30 June 2004.



The change began in 1945 with the election of C. G. E. Paynter to president. Paynter was not considered a major builder, but was a smaller medium-sized builder, whose firm did not focus on large contracts but specialised in building and renovating hotels, and in building “fine residences”.<sup>47</sup> Paynter had initially worked for his father’s major building firm, Paynter & Dixon, which was not a member of the MBA/NSW. The MBA had rejected an application for individual membership by Paynter’s father in 1930 as inappropriate due to it having been made in lieu of his company.<sup>48</sup>

While it has been noted that in employer associations ‘unopposed elections are the norm’,<sup>49</sup> the elections of the MBA/NSW Annual General Meeting in 1945 were hotly contested. Eighty members attended the meeting. Paynter, who had held no previous office, was successfully nominated for President from the floor of the meeting against A. F. Webb and A. F. Eastment, the retiring Senior and Junior Vice-Presidents, and W. Hughes who was Junior Vice-President in 1940/41 and Senior Vice-President in 1941/43. Seven nominations were received for the position of Senior Vice-President, however, only David Girvan, the retiring Treasurer, and H. J. Abbey, a cottage builder, accepted their nominations. David Girvan was elected Senior Vice-President, and was the only retiring officer to win election. Abbey defeated H. Foster for the position of Junior Vice-President. There were nine nominations for this position but only two candidates.<sup>50</sup> Abbey, also from a smaller building firm, had protested in October 1945 against a decision by the MBA/NSW to abandon the hod in cottage construction ‘due to the problem of wheeling a barrow in small rooms.’<sup>51</sup>

The presidency of Paynter was often marred by discord and ill will. In 1946 Paynter declared Frederick Wilson ineligible to stand for election to the General Committee as he had failed to attend the required two thirds ( $\frac{2}{3}$ ) of meetings held during the previous term of office. The two presidents who had preceded Paynter, N. R. Smith (1941-43) and S. D. C. Kennedy (1943-45) successfully moved that Wilson be granted retrospective leave of absence, and was subsequently elected as one of the eight members of the 1946-47 General Committee.<sup>52</sup> In 1947, standing orders were suspended at a

<sup>47</sup> *Construction*, 16.9.1953, p. 3; MBA/NSW, *Minutes of Admissions Committee*, 12.5.1942.

<sup>48</sup> MBA/NSW, *Minutes of Meeting of Executive Committee*, 4 September 1930.

<sup>49</sup> Carol B. Fox, William A. Howard and Marilyn J. Pittard, *Industrial Relations in Australia: Development, Law and Operation*, Longman, Melbourne, 1995, p. 352.

<sup>50</sup> He was the son of the late W.F. Foster MLA, MBA/NSW President in 1918.

<sup>51</sup> MBA/NSW, *Minutes of meeting of Conciliation Committee*, 16.10.1945.

<sup>52</sup> MBA/NSW, *Minutes of Half-yearly General Meeting*, 5.3.1946.

general meeting so that 'an issue of importance affecting the President' could be discussed. Paynter vacated the chair in favour of the Junior Vice-President, Austin W. Edwards, and the meeting was informed of recent press reports stating that the President's company had technically breached the *Building Operations and Building Materials Control Act, 1945*. Mr. Paynter advised that he had been unaware of the issue as it had been the result of an agreement between his manager, the architect and the proprietor, and a no confidence motion put to the meeting was lost.<sup>53</sup> His final meeting as President commenced badly as he had to exercise his 'powers as president' to reject a motion to conduct the annual elections prior to him presenting his president's report. After the report had been formally read, S. D. C. Kennedy expressed disappointment at the failure of Paynter to mention the work of members serving on internal and external committees. Paynter replied that it was an oversight and that he would incorporate such recognition in his report. Paynter was defeated in the election for President by David Girvan, a major contractor, who expressed the hope that meetings under his presidency would be 'conducted with dignity.'<sup>54</sup>

While Paynter was defeated as President, more of the medium sized suburban builders were elected to the Executive Committee.<sup>55</sup> Percy Bottomley (President 1953-54) and Ken McGregor (President 1954-57) were from the middle-range of building operations. Walter Bryant also a middle-range builder, was the inaugural President of Sydney Division in December 1956 and MBA/NSW President in 1958 and 1959. He had been an MBA/NSW member since 1935 but his involvement in the construction of cottages and large blocks of flats led him to also join Canterbury-Bankstown MBA in 1946. He was President of Canterbury-Bankstown MBA from 1949/50 to 1954/55, and was elected President of the Council of Suburban Master Builders Associations in 1953.<sup>56</sup>

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<sup>53</sup> MBA/NSW, *Minutes of General Meeting*, 22.4.1947.

<sup>54</sup> MBA/NSW, *Minutes of Annual General Meeting*, 26.8.1947.

<sup>55</sup> Eg. Keith Smith, elected to the Executive Committee in 1949, and continued to serve until the amalgamation in 1953 at which time he also joined the Canterbury-Bankstown Branch. *Construction*, 10.3.1954, p. 3; Interview with Keith Campbell, nephew of Keith Smith and son of his partner Hector Campbell, builder, member of the MBA/NSW Council of Management in the 1980s, 30 June 2004.

<sup>56</sup> *Construction*, 15.10.1953, p. 3.

### **New Challenges and Competitors for the MBA/NSW**

Many MBA/NSW members were also involved in civil construction<sup>57</sup> and, in addition to the massive Snowy Mountains scheme, the 1950s saw a general increase in the number of civil engineering works undertaken. The construction of power stations at Wangi Wangi, Wallerawang, Vales Point and Tallawarra in the mid-1950s provides some indication of the civil engineering activity at that time. Many companies carried out both civil construction and building works, and civil engineers occupied senior positions in the 'building' arm of many of those companies. For example, Civil and Civic Pty Ltd had, since its formation in 1950, engaged civil engineers to oversee building projects. The Institute of Civil Engineers in Britain in 1942 held a conference over its 'error of omission' in ignoring the building industry. The conference observed that building had in the past 'been in the hands of the operative craftsmen, the organising master builder, the quantity surveyor and the architect' and very rarely was there any leadership by engineers.<sup>58</sup>

Whilst the registered rules of the MBA/NSW included civil construction, the growth in civil engineering works and the intrusion of civil engineers in the booming building industry led to informal meetings of them at the offices of the Master Builders Association of Victoria (MBAV) during the mid-1950s,<sup>59</sup> and to the formation of autonomous groups in Melbourne and Sydney. In 1959, these groups established a national organization, the *Australian Federation of Civil Engineering Contractors* (AFCEC). The MBA/NSW noted this event with some concern.<sup>60</sup>

Another potential rival also appeared in Victoria. The *Builders' and Allied Trades Association* (BATA) was established in 1946 to protect and promote the interests of smaller builders, contractors and suppliers and, in particular, to seek a more equitable distribution of limited building supplies that were available following the end of the Second World War. Whilst the difficulties in obtaining building materials experienced within the Victorian building industry were also evident in the State of New South

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<sup>57</sup> Eg. Hutcherson Bros Pty Ltd was responsible 'for all building and civil, mechanical and engineering work' on the Lucas Heights Research project, which commenced on 24 October 1955. *Construction*, 30.10.1957, pp. 4-6.

<sup>58</sup> *Construction*, 4.11.1942, p. 3.

<sup>59</sup> Interview with Commissioner John Luckman, Victorian Industrial Relations Commission (MBAV Senior Industrial Officer 1954-78), August 2001.

<sup>60</sup> MBA/NSW, *Minutes of Executive Committee Meeting*, 6.8.1959.

Wales, an issue discussed later in this Chapter, the close co-operation between the MBA/NSW and the Sydney suburban associations to overcome the shortage of building materials had no parallel in Victoria. The formation of BATA arose out of the absence of any similar suburban structure in Victoria, and the perceived aloofness of the commercial builders who comprised the MBAV. By late September 1964, however, the BATA had grown and recognised a need to establish a national body by changing its name to the Housing Industry Association (HIA).<sup>61</sup> The General Secretary of the MBA/NSW, on learning of meetings to form a branch of the HIA in Sydney, wrote to ‘all kindred associations and to each and every builder in the pink pages of the Metropolitan Telephone Directory – including members – advising them that the MBA/NSW had no connection with the HIA, and expressing the opinion that already too many Associations existed on (*sic*) the industry.’<sup>62</sup> The HIA branch in NSW was to become a strong competitor and opponent of the MBA/NSW. It had a strong belief in industry self-regulation and was opposed to any licensing by Government, preferring the registration of house-builders by either their association or by their association’s warranty body. It believed that a tradesperson, with appropriate experience, should be allowed to operate as a builder and be monitored by his association, and that an internal association committee would discipline, and when necessary expel, incompetent and recalcitrant builders. It opposed the MBA and the Australian Institute of Building (AIB) over their focus on formal qualifications and, in particular, their support of a university degree.

Unlike the federated state MBAs, HIA was a national body controlled by a national board, and its structure and administrative processes facilitated decision-making and allowed it to be very ‘fast on its feet.’ This fact proved to be a great asset in dealing with politicians, political parties and government at the federal level who realised they could always get quick responses from HIA over housing matters and that an association board would not overturn those responses at a later stage.<sup>63</sup>

### **Regulating the Home Building Industry**

Housing was a prime objective of the post-war NSW government and the private sector of the housing industry suffered during the early post-war years from restrictive legislation and from the dominant use by the NSW Housing Commission of labour and

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<sup>61</sup> Bob Day, *D.R. Dosseter Housing Lecture*, Housing Industry Association, Canberra, 2.4.2004.

<sup>62</sup> MBA/NSW, *Minutes of Council of Management*, 11.8.1964.

materials which were in short supply.<sup>64</sup> The Commonwealth Bank in November 1950 introduced detailed surveillance over loans made by private banks. On Monday, 6 October 1952, the position was reversed by a directive, which actually encouraged private banks to extend loans for building and land acquisition for home building. Loans for housing fluctuated during the period 1954 to 1957: they totalled £77m. in 1954-55; £73m. in 1955-56; and £78m. in 1956-57. In September 1957, Dr H. C. Coombs, the Governor of the Commonwealth Bank, announced that substantially higher sums would be made available through bank loans.<sup>65</sup>

In addition to difficulties caused by the control exercised by the Commonwealth Bank over loans made by trading banks in the 1950s, MBA/NSW members had problems with legislation introduced at the end of World War II. Housing builders in particular encountered real problems with the *War Service Moratorium* regulation, which provided a returned soldier with preferential rights to become tenants of any untenanted house. The issue was of great concern to the industry as untenanted sea-side weekenders were also at risk from such notices for possession. One member, as a strategy, had lodged a tenancy agreement with a returned soldier and paid the required fee only to be served by another returned soldier, a few days later, with a notice for possession. The MBA/NSW sought to use the matter as a test case before the magistrate's court but the applicant for possession decided not to press the matter. The President of Kuringai Shire Council reported having initiated steps 'to prevent the continuation of the practice' of returned soldiers accessing the Council's Building Register with a view to obtaining possession of partially built houses.<sup>66</sup> Housing Commission and War Service Homes were reportedly also being 'jumped' by ex-servicemen.<sup>67</sup>

The industry generally had serious problems with an Act of the NSW Parliament designed to replace the Federal controls that had been implemented during the war. The *Building Operations and Building Materials Control Act*, 1945 was designed to monitor the distribution of building materials at the end of the Second World War. Complaints about material shortages were soon received by the MBA/NSW. The first complaints were from local government councils throughout the County of Cumberland over bricks

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<sup>63</sup> Interview with Arthur Leslie (Les) Groves, Chief Executive Officer, Housing Industry Association, Victoria and Tasmania 1977-96, 12 October 2004.

<sup>64</sup> MBA/NSW, *Report of Special Meeting of Housing Committee*, 17.9.1945.

<sup>65</sup> *Construction*, 8.10.1952, p. 3, 18.9.1957, p. 6.

<sup>66</sup> MBA/NSW, *Minutes of Monthly General Meeting*, 25.6.1946.

<sup>67</sup> *The Sun*, 25.6.1946, p. 8.

and, then from the Master Plumbers and Sanitary Engineers' Association of NSW about plumbing materials generally and, in particular, galvanized iron and galvanized iron products.<sup>68</sup> The MBA/NSW raised these concerns in June 1948 and succeeded in ending restrictions in the use of paint.<sup>69</sup> However, the supply of galvanized iron products remained scarce, and the MBA/NSW approached the NSW Director of Building Supplies for the release of such supplies for building work undertaken by Tweed District MBA members 'for which permits had been granted.'<sup>70</sup> Later in 1948, the MBA/NSW became concerned at the preferential position of local government in relation to the provisions of the Act and complained to the NSW Department of Building Materials about the large quantities of concrete diverted from the building industry by North Shore Councils for the construction of footpaths.<sup>71</sup>

Whilst the shortage in the supply of concrete remained a problem, difficulties in the supply of bricks that continued to plague the industry were exacerbated by the poor quality of the bricks produced. In 1950, the Ex-Servicemen's Legal Aid Bureau announced its intention to take legal action against brick companies that it accused of 'using the acute shortage of bricks to dump rubbishy bricks on homeless ex-servicemen.'<sup>72</sup> The problem, however, was not confined to ex-servicemen as local government building inspectors were generally rejecting faulty bricks and declaring others 'as quite unusable.' This situation caused the home-builder an eighteen months delay before new supplies could be obtained. The Woollahra Council Works Committee received reports of 'poor quality bricks stacked near a partly constructed block of flats', leading J. J. Cahill, NSW Minister for Local Government, to announce his intention to embody new specifications produced by the Standards Association in NSW Building Regulations.<sup>73</sup>

Despite the shortages in brick supplies, the NSW Department of Railways used over one million bricks (enough to build 40 homes) for retaining walls at Erskineville, St Peters and Eastwood railway stations. This was in contravention of the *Building Operations and Building Materials Control Act*, 1945 that required a special permit for any use of bricks in structures other than houses. At that time, Newcastle brick

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<sup>68</sup> MBA/NSW, *Minutes of Half-yearly General Meeting*, 24.2.1948.

<sup>69</sup> MBA/NSW, *Minutes of Monthly General Meeting*, 22.6.1948.

<sup>70</sup> MBA/NSW, *Minutes of General Committee Meeting*, 13.7.1948.

<sup>71</sup> MBA/NSW, *Minutes of General Meeting*, 28.9.1948.

<sup>72</sup> *Construction*, 11.10.1950, p. 5.

<sup>73</sup> *Ibid.*

manufacturers announced that the shortage in brick production was the result of the low prices.<sup>74</sup> Whilst there could have been some basis for their complaints due to the operations of the *National Security (Prices) Regulations*, the building industry was certainly in a position to pay higher prices on a flourishing black-market industry which the Government, despite its promises, was unable to curb.<sup>75</sup>

There was a dramatic lifting of controls on building materials in 1952. The NSW State Cabinet decided on 24 June 1952 to exempt some building materials and all building activity, save for demolition, from restrictions.<sup>76</sup> NSW Premier Cahill later announced that all building controls were to end on 30 September 1952 due to the 'lag in materials' having been overcome by the reduced 'tempo' of activity in the building industry.<sup>77</sup> The easing of building controls in 1952 was followed by an upsurge in building as the NSW government commenced constructing power stations and other capital works which highlighted problems with the tender processes adopted by government agencies.

The NSW building industry also had problems in the housing sector in relation to pricing. The NSW Prices Commissioner extended the provisions of the *National Security (Prices) Regulations* to repairs and renovations in the housing area so as 'to discourage exploitation.'<sup>78</sup> He told MBFA that he would use the regulations to prevent builders taking advantage of the current housing shortage to make excessive profits. He also foreshadowed the likelihood of price fixation for specific jobs.<sup>79</sup> In opposition to that move, the MBA/NSW resolved to conduct a press campaign by publishing data that explained the effect of increased costs of building materials during the war.<sup>80</sup> The part-time adviser to the Prices Commission, Mr. W. McDonald, told MBA/NSW members of his concern at the 'mushroom type of builder who was fleecing the public by overcharging on small cottages to an extent of £600 to £700.' He said that he believed it possible to 'devise a formula with sufficient capacity to cover variations' for cottage construction and asked builders to consider a useful formula.<sup>81</sup> The difficulty lay in the volatility of prices of building materials and, in early 1948, the MBA/NSW secured an

<sup>74</sup> Ibid., 7.2.1951, pp. 2-3.

<sup>75</sup> Cement which had a retail price of £8/15/9 per ton was selling on the black-market at £12-£15. *Construction*, 14.3.1951, p. 2.

<sup>76</sup> MBA/NSW, 'President's Report', *Minutes of Annual General Meeting*, 26.8.1952.

<sup>77</sup> *Construction*, 25.6.1952, p. 2; and 3.9.1952, p. 5.

<sup>78</sup> *Regulation Order No. 3317*.

<sup>79</sup> MBA/NSW, 'Report of federal developments', *Minutes of General Meeting*, 26.3.1946.

<sup>80</sup> MBA/NSW, *Minutes of General Meeting*, 23.7.1946.

agreement from the NSW Timber Merchants' Association (TMA) to provide a price list 'should prices remain static for any length of time.'<sup>82</sup> There was national confusion when price fixing of buildings was introduced in Western Australia on 1 January 1948; in Tasmania on 24 March 1948; in South Australia on 19 April 1948; and in South Eastern Queensland on 24 April 1948. Price fixing of buildings had been introduced in Victoria from 3 May 1948 and was awaiting gazettal.<sup>83</sup> However, agitation by the MBA/NSW and its suburban branches in 1948 and 1949 was rewarded by contract prices for the building of dwellings being exempted from such control from 1 November 1949.<sup>84</sup>

By 1950, the high cost of land had deterred speculative building among cottage builders. Land costs and housing shortages led to demands for the construction of more large blocks of residential flats similar to those built for the Housing Commission in Elliott Street, Balmain.<sup>85</sup> In the area administered by the Metropolitan Water, Sewerage and Drainage Board alone, the Housing Commission in 1950 built 30 blocks of flats comprising 245 units.<sup>86</sup> Also in 1950, Urban Co-operative Multi-Home Units No. 3 Ltd purchased a concrete amphitheatre overlooking Balmoral Beach, with the intention of demolishing it and erecting 36 'co-operative flats.'<sup>87</sup> The same firm had contracted Alex Speers & Sons Pty Ltd to build blocks of flats at Potts Point and at McMahons Point.<sup>88</sup>

By mid-1951 the 'Own-your-own flat' scheme had grown in popularity, and the practice of building blocks of flats of which 'each unit to be sold, not rented' widely recognised.<sup>89</sup> The market, however, was inhibited by the inability of purchasers to obtain title for individual flats, as title was only available for *blocks of flats* that were recorded on company title. That problem was overcome in the early part of the 1960s with the introduction of the *Conveyancing (Strata) Titles Act, 1961* and this led to a dramatic increase in flat ownership.<sup>90</sup>

The day-labour issue was resurrected when the Housing Commission announced its intentions to operate with day labour, and to offer contract work to a limited number of builders. The MBA/NSW advised the NSW Government that it was opposed to restricted

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<sup>81</sup> Ibid., 24.6.1947.

<sup>82</sup> Ibid., 9.3.1948.

<sup>83</sup> MBA/NSW, *Minutes of Federal Committee meeting*, 17.5.1948.

<sup>84</sup> Council of the Suburban Master Builders Associations, *Annual Report 1949-50*, 30.6.1950.

<sup>85</sup> *Construction*, 18.1.1950, pp. 1-2.

<sup>86</sup> Ibid., 17.1.1950, p. 3.

<sup>87</sup> Ibid., 18.10.1950, p. 5.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid., 29.8.1951, p. 2.

<sup>90</sup> Ibid.



tender lists and that it believed ‘that all Government work should be thrown open to public tender regardless of the urgency or otherwise of the work.’<sup>91</sup> During the war, the day labour force of the Civil Construction Corps (CCC), with which all building tradesmen were required to register, had built the Housing Commission cottages. Once peace was declared, the CCC was disbanded and all government day labour work in NSW was assigned to the NSW Public Works Department.<sup>92</sup> Whilst the majority of Housing Commission works continued to be performed by day labour until the mid-1950s, Housing Commission work outside the metropolitan area was generally put out to tender. The MBA/NSW, however, received complaints that the Housing Commission had a practice of revising plans after tenders were initially called and received. The Commission would again put the work out to tender rather than merely approaching the original tenderers for adjusted prices based on the revised plans.<sup>93</sup>

Other problems created by post-war Housing Commission operations included the diversion of supplies of bricks and roof tiles from the private sector of the building industry to Housing Commission work. One MBA/NSW member who had ordered 1.6 million bricks was restricted to between 24,000 and 25,000 bricks per week. The MBA/NSW was advised by the respective Councils of Roof Tile Manufacturers and of Brickmakers that they had received no special instructions to favour Housing Commission work and promised to ration Housing Commission supplies until orders from the private cottage industry had been met.<sup>94</sup>

At the end of 1947, MBA/NSW members experienced delays in receiving final payments from the Housing Commission. The Commission also failed to compensate them for increased costs in labour and materials. During a joint deputation comprising the MBA/NSW and the Council of Suburban Master Builders’ Associations,<sup>95</sup> the Minister for Housing agreed to observe rise and fall cost indexation clause that had been inserted into its contracts in 1945 by agreement, and were being ignored by the Housing Commission.<sup>96</sup>

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<sup>91</sup> MBA/NSW, *Minutes of General Meeting*, 18. 8.1945.

<sup>92</sup> The Public Works day-labour force operated from a depot at Villawood and was very unionised. *Interview with Ronald Eric Monaghan, BWIU Organiser 1949-1982*, 13.10.2004.

<sup>93</sup> MBA/NSW, *Minutes of meeting of Executive Committee*, 5.11.1945.

<sup>94</sup> MBA/NSW, *Report of Special Meeting of Housing Committee*, 17.9.1945.

<sup>95</sup> MBA/NSW, *Minutes of General Committee meeting*, 11.11.1947.

<sup>96</sup> *Ibid.*, 10.7.1945.

Despite the success of the deputation, further approaches were planned to secure reimbursement of costs incurred from the reduction of working hours to 40 and increases to workers compensation premiums and to payroll tax.<sup>97</sup> All matters were finally resolved in line with the wishes of MBA/NSW members when Housing Commission contracts were amended to compensate for movements to the cost of labour and materials.<sup>98</sup>

Builders' licensing remained a key issue and, in 1947, the MBA/NSW prepared and adopted a Builders' Licensing Bill.<sup>99</sup> The MBA/NSW President and the Builders' Registration Committee presented the document to the NSW Premier, James McGirr, who opposed the proposal.<sup>100</sup> In the face of increasing concern from the public, and after a judicial member of the Supreme Court had criticised the lack of official protection for the public against building firms,<sup>101</sup> NSW Premier McGirr announced in 1950 that a new offence: 'making a wilfully fake promise with intent to defraud', would be introduced by an amendment to the *Crimes Act*, 1900. The MBA/NSW agreed that the initiative 'would offer some protection to the public' but insisted that 'registration of builders was the only cure.'<sup>102</sup>

Nothing positive was achieved until 1952 when Premier Cahill considered a draft bill, jointly prepared by the MBA/NSW and the Council of Suburban Master Builders' Associations,<sup>103</sup> that provided for the compulsory registration of builders and specific educational requirements. The NSW Cabinet initially agreed to the proposals and promised to draft a Bill covering all builders save for owner-builders and those carrying out building works to a value less than £500.<sup>104</sup> A year later it had second thoughts as it feared creating a monopoly for existing builders, a claim strongly challenged by the MBA/NSW, which drew attention to the registration requirements of electricians and plumbers with no monopoly created.<sup>105</sup>

The demand for the licensing of builders also led to conflict with the Architects. In February 1953 the MBA/NSW criticised the Joint Coal Board for awarding the construction contract of its new Headquarters to a building company owned by the

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<sup>97</sup> Ibid., 16.12.1947, 27.1.1948.

<sup>98</sup> Ibid., 10.2.1948.

<sup>99</sup> MBA/NSW, *Minutes of Special General Meeting*, 18.2.1947.

<sup>100</sup> MBA/NSW, *Minutes of General Committee meeting*, 8.7.1947.

<sup>101</sup> *Construction*, 27.9.1950, p. 3.

<sup>102</sup> Ibid., 6.9.1950, p. 3.

<sup>103</sup> Ibid., 23.7.1952, p. 5.

<sup>104</sup> Ibid., 6.8.1952, p. 3.

architects who had prepared the plans and were to supervise the work. The press linked the MBA/NSW protest to its builders' registration demand and to the draft bill prepared by the Cahill Government that 'virtually outlawed architects and construction engineers from building.' The NSW Chapter of the Royal Australian Institute of Architects (NSW/RAIA) had reminded the Premier that the right of an architect to engage as a building contractor was provided under the provisions of the *Architects Act*, 1921-1946.<sup>106</sup> An MBA/NSW attempt to resurrect the registration proposal<sup>107</sup> was ignored by the NSW government which announced that it would seek a bond of £1,000 for its capital works contracts.<sup>108</sup> By 1958 there had developed a preference for performance bonds over builders' registration.<sup>109</sup>

The MBA/NSW pursued two other initiatives to ensure quality. First, it established a committee in 1957 to investigate complaints related to quality of workmanship against MBA/NSW members.<sup>110</sup> Any member who ignored directions to rectify faulty work issued by the complaints investigation committee was referred to the council of management for disciplinary action that could include expulsion.<sup>111</sup> Second: there was a campaign designed 'to advise the public on the benefits of dealing with members' through the June 1959 Sydney Homes Exhibition, and setting up a display in a 'Parade of Homes' at Cherry Brook Estate, West Pennant Hills in January 1960.<sup>112</sup> That later event set a precedent in that exhibition homes have today become a standard method of publicizing houses that are constructed to a good standard of workmanship.

### **Trade and Tendering Problems**

In 1957, the MBA/NSW established its own Contracts Committee initially to consider a new form of tender.<sup>113</sup> The committee invited a number of experts to assist it with its deliberations. They included J. T. Ludeke, barrister, and Henry Raymond Woodward, a former solicitor who was accountant/contracts officer for W.J. Bryant Pty Ltd. Woodward later became the first contracts officer of the MBA/NSW. Tendering was an expensive undertaking, and the terms of tendering and of contracts were

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<sup>105</sup> Ibid., 12.8.1953, p. 4.

<sup>106</sup> *SMH*, 3.2.1953, p. 7.

<sup>107</sup> *Construction*, 4.2.1953, p. 2.

<sup>108</sup> MBA/NSW, *Minutes of General Meeting*, 24.5.1955.

<sup>109</sup> MBA/NSW, *Minutes of Council of Management Meeting*, 11.3.1958.

<sup>110</sup> Ibid., 11.6.1957.

<sup>111</sup> MBA/NSW, *By-Law – Authority*, 11.3.1958.

<sup>112</sup> MBA/NSW, 'Presidential Report', *Minutes of Annual General Meeting*, 1.12.1959.

important issues and members in breach of MBA/NSW Rules were liable to fines and possible expulsion.<sup>114</sup> For example, the MBA/NSW had policies designed: to monitor the advertisements of its members in seeking new workers (policy 2); to prevent members from entering into agreements with trade unions for conditions outside those prescribed by industrial awards (policy 3); to prevent members from contributing to union funds and from advertising in union publications (policy 4); to require the provision of bills of quantities for building works in excess of prescribed values (policies 6(i) to 6(iv) inclusive); and, in connection with tendering for and carrying out building contracts (Rule 8), provided strict principles.<sup>115</sup>

The MBA/NSW was particularly concerned with the NSW Electricity Commissioner who was responsible for the construction of many power stations in the 1950s. The Vales Point Power Station became the subject of a bitter dispute after F. T. Eastment & Sons made a complaint to the Premier over tendering for that project. The Premier, in his response dated 29 January 1959, discussed a Minister's Report which revealed that three separate tenders were 'juggled together', which allowed one tender to be successful despite being fourth in competitive pricing below three MBA/NSW members. The Electricity Commissioner also admitted that a number of tenderers had received 'some information as to plans, specifications or quantities prior to the tenders being called.'<sup>116</sup> The MBA/NSW stated that builders had invested five thousand pounds (£5000) in the tender process and concluded that there was a need for the 'complete overhaul of the practices of public utilities receiving and accepting tenders.'<sup>117</sup> Sixteen recommendations were endorsed including: the calling of tenders through the press; the provision of a locked tender box for the receipt of tenders; the tender box to be opened in public by a Tender Board comprising at least three persons and a secretary and checked for informal tenders; the names and amounts of each tender immediately announced and the tenders initialled by members of the Tender Board; minutes to be kept of the proceedings of the Tender Board; and any rejection of the lowest tender to be the subject

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<sup>113</sup> MBA/NSW, *Minutes of Contracts Committee*, 30.5.1957, 13.8.1957.

<sup>114</sup> MBA/NSW, *Rules of The Master Builders Association of New South Wales*, Rules 64-5, as amended November 1949 and by Minute No. 5745; MBA/NSW, *Special General Meeting*, 6.7.1955.

<sup>115</sup> MBA/NSW, 'Policy', *Minutes of Council of Management - Appendix "A"*, 10.2.1959; MBA/NSW, *Special General Meeting*, 6.7.1955.

<sup>116</sup> MBA/NSW, 'Policy', *Minutes of Council of Management - Appendix "A"*, 10.2.1959.

<sup>117</sup> MBA/NSW, *Minutes of Special Meeting of Executive Committee*, 30.1.1959.

of a confidential report that will be available to that tenderer.<sup>118</sup> It was, however, to be nearly two years before the Electricity Commissioner advised an MBA/NSW delegation of his agreement to the conditions of tender proposed.<sup>119</sup>

The increase in the size of building projects and in the length of time involved in their construction, led to a proposal in 1959 for an MBA/NSW policy restraining its members from tendering for any works in excess of a value of £100,000 (one hundred thousand pounds) without including a Rise and Fall Clause in such tender. This protected members against unforeseen changes in the cost of labour and materials. The matter was referred to the MBA/NSW barrister, J. T. Ludeke for his advice on the following questions:

- (a) Whether the policy, if adopted, would constitute an agreement in restraint of trade, and
- (b) Whether, if the policy were adopted, a member who acted contrary there to could be dealt with pursuant to the disciplinary provisions of the Rules of the Association.

Ludeke referred to the fact ‘that an agreement among a group of employers which results in a restriction of trade was not necessarily unlawful.’<sup>120</sup> He stated that the issue had to be considered in light of two opposing concepts: the right of the builder to carry on trade in a manner he chooses without interference to another’s freedom; and the freedom to contract implies a freedom to combine with some against others. He drew attention to various precedents in England and in Australia and, after discussing the need for such restraint not to be injurious to the public, concluded that the proposed policy constituted an unlawful restraint of trade and any attempt to discipline a member who acted contrary to that policy would fail should the member oppose it.<sup>121</sup> Ludeke addressed both the MBA/NSW Committee, appointed to consider the issue, and the MBA/NSW Annual General Meeting.<sup>122</sup> However, regardless of his warnings, the association later adopted the policy, and at the same time placed Ludeke on a retainer so as to have him available to defend any member with a contractual dispute.<sup>123</sup>

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<sup>118</sup> MBA/NSW, *Minutes of Council of Management*, 14.7.1959.

<sup>119</sup> MBA/NSW, *Minutes of Council of Management*, 14.3.1961.

<sup>120</sup> J. T. Ludeke, *Opinion* (MBA of NSW), Wentworth Chambers, 29.10.1959.

<sup>121</sup> *Ibid.*

<sup>122</sup> MBA/NSW, *Minutes of Annual General Meeting*, 1.12.1959; MBA/NSW, *Minutes of Special Committee – Rise and Fall*, 12.11.1959.

<sup>123</sup> MBA/NSW, *Minutes of Special Meeting of Council of Management*, 23.10.1961.

## Industrial Relations – Labour Shortages

Against the background of labour shortages in the immediate years after the Second World War, the building unions began a campaign for central pick-up places. Ted Bulmer, the communist president of the NSW/BWIU, met with the MBA/NSW in February 1946 and advised the association that the union had arranged with the Government to utilize the National Service Office (NSO) in Sydney as the focal point for engagement of carpenters, joiners or bricklayers. Bulmer told the MBA/NSW representatives that all employers would be required to lodge their requisition for labour with the NSO and that those without a starting docket issued by the Central NSO would be denied access to work on a building site. Bulmer concluded that his union would implement the scheme with or without MBA/NSW agreement. After that meeting, the NSW Building Trades Group of Unions (the BTG) began a campaign for central ‘pick-up’ places for the employment of building workers and sought MBA/NSW support for the resolution it had passed:

That to implement the policy of picking-up places in the building industry, this meeting recommends all members of the unions in the building industry be prohibited from answering advertisements and that all union labour be picked up through the Union and/or the centres.<sup>124</sup>

However, the MBA/NSW, the MBA/NSW Newcastle Branch, the Suburban Master Builders’ Association (Canterbury Bankstown), and St George and Sutherland Master Builders’ Association each rejected the demand. The NSW/BWIU commenced to exert pressure on members of MBA/NSW over the issue. For example, on 26 February 1946, Frank Sullivan, an organiser and future NSW/BWIU President, approached the firm of S. D. C. Kennedy & Bird Pty Ltd after it had advertised for labour in the *Sydney Morning Herald*. Sullivan referred to the BTG resolution and to the fact that the union had ‘taken the matter up with the Master Builders’ Association’ and stated that there would be trouble should the firm engage any men who had answered the advertisement.<sup>125</sup>

The MBA/NSW retaliated against the BWIU. It imposed a levy of £5 on each builder member to fund a campaign against the union attempts to control labour recruitment.<sup>126</sup> It called on all employers of building trade labour ‘to assist the protection of the employer’s right to hire’ and gained the support of the Building Industry Congress

<sup>124</sup> Secretary, Building Trades Group of Unions, *Letter to MBA/NSW*, 18.2.1946.

<sup>125</sup> MBA/NSW, *Minutes of General Committee meeting*, 12.2.1946; MBA/NSW, *Minutes of Half-yearly General Meeting*, 5.3.1946.

of NSW (BIC), of which it was an affiliate.<sup>127</sup> The MBA/NSW called a meeting of employer associations within the building industry, which formed the Building Employers' Group (BEG).<sup>128</sup>

A complicating factor in the dispute was the establishment of the Commonwealth Employment Service (CES). D. Stewart-Fraser, Executive Director of BIC, introduced a pragmatic tone to the discussions when he reminded a meeting of MBA/NSW members that the Government had spent over £1,000,000 on the CES and suggested that the CES may provide an alternative to the NSO demands of the NSW/BWIU. He referred to the fact that both the Commonwealth and the State governments were committed to the CES initiative and that the CES Director had given his personal assurance that 'if the CES proposal was accepted, the Trades Hall move would be defeated.' However, the MBA/NSW resolved to advise the BEG that it rejected any proposal for a central pick-up of labour.<sup>129</sup>

In late October 1946, the BEG considered a revised CES proposal that provided the employer with power to select all new labour, and recommended its adoption by employer associations.<sup>130</sup> The MBA/NSW decided to send that proposal to members for their consideration and to seek their views at a special meeting, which rejected the revised CES and fuelled union unrest.<sup>131</sup> There was dissatisfaction by some MBA/NSW members with the handling of the dispute by the association. They criticized the MBA/NSW officers for taking no action despite the benefit of a fighting fund for which special fees had been levied from members.<sup>132</sup> After some tinkering with a resolution that reinforced an employer's right to select successful applicants, the MBA/NSW accepted the CES in February 1947.<sup>133</sup>

Whilst the recruitment of labour was an important issue, the training of skilled tradesmen was also significant. In 1943, the MBA/NSW had announced its interest 'in the employment of men who have served their country in the last War and the present War', and criticised the federal Curtin Government for its failure to produce a plan to

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<sup>126</sup> MBA/NSW, *Minutes of Special General Meeting*, 9.5.1946.

<sup>127</sup> MBA/NSW, *Minutes of General Committee meeting*, 14.5.1946; MBA/NSW, *Minutes of General Meeting*, 28.5.1946.

<sup>128</sup> MBA/NSW, *Minutes of Special Meeting of Employer Associations*, 2.9.1946.

<sup>129</sup> MBA/NSW, *Minutes of Special Meeting*, 3.9.1946.

<sup>130</sup> MBA/NSW, *Minutes of Building Employers' Group*, 28.10.1946.

<sup>131</sup> MBA/NSW, *Minutes of General Committee meeting*, 29.10.1946, 18.11.1946; MBA/NSW, *Minutes of Special General Meeting*, 5.11.1946.

<sup>132</sup> MBA/NSW, *Minutes of General Committee meeting*, 10.12.1946.

<sup>133</sup> MBA/NSW, *Minutes of (Adjourned) General Meeting*, 25.2.1947.

absorb suitable returned men into the building industry in the face of the ‘colossal building programme for housing and industrial requirements of the community.’<sup>134</sup> It stated that, until the government initiated a plan for the employment of returned men, its membership would in cooperation with the Building Trades Unions ‘accept suitable men into their employment for the purpose of training them as tradesmen for the Building Industry.’<sup>135</sup> It expressed the view that ‘other employing bodies would willingly cooperate in a similar manner in order to give the Returned Soldier the opportunity of a well earned career in the Industry of his choice.’<sup>136</sup> The MBA/NSW required employees over 21 years of age in training to be paid the basic wage.<sup>137</sup>

The federal government introduced the Commonwealth Reconstruction Training Scheme (CRTS) in 1944 to meet the training requirements of returned soldiers. The MBA/NSW was particularly critical of two requirements of the scheme. It objected to the requirement that ‘repatriation trainees’ attend technical college a half-a-day each week in addition to their night attendance. It complained that employers were obliged to pay the journeyman’s wage to all CRTS trainees entering the industry if they were deemed to have 40 per cent of the journeymen’s efficiency. Within fourteen months after the demobilization of the armed services on 15 October 1945, approximately 5,000 of the 7,510 applications received from subsidized CRTS trainees were for training in the NSW building industry.<sup>138</sup> Another source of labour for the NSW building industry was the immigration scheme initiated by the federal government in 1946. As shown by Table 7:1 below it provided building employers with a large number of skilled tradesmen:

**TABLE 7:1**

**PERMANENT AND LONG-TERM ARRIVALS - AUSTRALIA 1946-1959**

<b>OCCUPATION</b>	<b>1946-7</b>	<b>1948-9</b>	<b>1950-1</b>	<b>1952-3</b>	<b>1954-5</b>	<b>1956-7</b>	<b>1958-9</b>	<b>TOTAL</b>
Carpenters	500	3,970	7,230	3,431	3,607	3,517	3,172	25,427
Bricklayers	195	1,313	2,498	1,351	1,817	1,939	1,555	10,668
Painters	213	1,285	2,152	1,225	1,330	1,367	1,461	9,033
Plasterers	63	167	354	232	324	227	244	1,611
Plumbers	107	547	938	524	664	546	622	3,976

Source: Industrial Commission of NSW, *The Apprenticeship System in NSW, A Report By the Commission to the Minister for Labour and Industry*, NSW Government Printer, Sydney, 1969, Annexures 16-17.

<sup>134</sup> MBA/NSW, *Minutes of Special General Meeting*, 4.6.1943.

<sup>135</sup> Ibid.

<sup>136</sup> Ibid.

<sup>137</sup> Ibid.

<sup>138</sup> MBA/NSW, *Minutes of General Committee meeting*, 10.12.1946.



Despite the influx of migrant building tradesmen, by the end of 1958 the MBA/NSW was concerned at a future shortage of tradesmen. There was an accelerating downward trend in apprenticeships. It estimated that the current demand for 54,000 houses per year would rise to 70,000 by 1965. The MBA/NSW further estimated that due to a demand for other buildings, such as hospitals, schools, shops and recreational facilities, the NSW building industry would have to increase its workforce by at least 35 per cent or 13,000 by 1968. In particular, it expressed concern at the fall in bricklaying apprenticeships during the preceding five years due to the refusal of bricklaying subcontractors to employ and train apprentices.<sup>139</sup>

There was also the issue of training executives and managers in the NSW building industry to meet challenges of new technology and the growing size of building and construction projects. The MBA/NSW, the recently formed Australian Institute of Builders and representatives from the Faculty of Architecture at the NSW University of Technology met on 14 August 1958 to explore the viability of a building degree course.<sup>140</sup> On 10 November 1958, the University Council of the newly re-named University of NSW approved in principle the proposed degree course,<sup>141</sup> and the MBA/NSW ensured the course commenced in 1960 by making good the shortfall of the £1,200 of the initial £5,000 required by the University.<sup>142</sup>

### **Industrial Relations – Wage Demands**

Labour shortages also fuelled wage demands. In 1947, the new federal carpenters award, the Ackland Award,<sup>143</sup> applied to the states of Victoria, Tasmania and South Australia and contained provisions that were superior to those provided in the NSW state award. The BWIU saw a national award as strategically useful in strengthening the bargaining power of its membership throughout Australia, and in facilitating national union amalgamations, and sought to extend the coverage of the Ackland award. However, Commissioner Mooney rejected its application.<sup>144</sup>

<sup>139</sup> MBA/NSW, 'Survey of Apprenticeships in the Building Industry', *Minutes of Council of Management meeting*, 9.12.1958.

<sup>140</sup> MBA/NSW, *Minutes of Council of Management meeting*, "Appendix 'A'", 9.9.1958.

<sup>141</sup> MBA/NSW, *Minutes of Council of Management meeting*, 11.11.1958.

<sup>142</sup> *Ibid.*, 13.10.1959.

<sup>143</sup> *Commonwealth Arbitration Reports*, vol. 56, (1946), p. 238.

<sup>144</sup> A. Ferguson, 'The Causes and Effects of Federal Deregistration of an Industrial Organisation. A Case Study of the Building Workers Industrial Union of Australia: 1948-1962', *M.Ec thesis*, University of Sydney, 1982, p.110.

The NSW/BWIU embarked on a campaign to force the provisions of the Ackland award onto its NSW state award. The union's initial target was the building site of William Hughes and Co Pty Ltd at Rosebery. It demanded wage increases so as to bring the rates in line with the Ackland Award. The union also requested improved site amenities (dressing sheds) and other conditions. The union also demanded that the firm immediately apply to the Commonwealth Court of Conciliation and Arbitration for the provisions of the Ackland award to be applied to the building industry in NSW. The MBA/NSW retaliated by instructing its solicitors to apply for deregistration of the BWIU.<sup>145</sup> On 19 May 1947, the matter went before the Full Bench of the Industrial Commission of NSW, which granted an adjournment to the BWIU barrister, J. B. Sweeney (later a Judge of the federal commission), on the basis that the union was to hold mass meetings to lift all bans and limitations. When the matter resumed on 27 May 1947, Alexander Beattie (later President of the NSW Commission) told the Full Bench on behalf of the MBA/NSW that the parties had agreed to let the application lie dormant, whilst conferences proceeded over claims filed with the Commission by the union.<sup>146</sup>

Whilst the NSW/BWIU eluded deregistration, its federally registered parent was not so fortunate. In addition to being President of the NSW/BWIU, Ted Bulmer had become Federal President in 1942 and served in that capacity for ten years. Frank Purse was elected Federal Secretary in 1948. Both of those office-bearers were communists and the BWIU attracted opposition from anti-communist activists within the Victorian branch. In 1948 the BWIU was federally deregistered due to the activities of its Victorian branch.<sup>147</sup> This had little impact on the operations of the NSW/BWIU and no effect on its industrial award, the *Carpenters and Joiners and Bricklayers Construction (State) Award*.<sup>148</sup> One side effect was that its disenchanted anti-communist members formed a breakaway union known as the ASC&J, the original name of the BWIU.<sup>149</sup> The breakaway union was granted conditional registration under the Commonwealth Act on 17 October 1950.<sup>150</sup> The ASC&J moved quickly to establish its own federal award by serving logs of claim in all states of Australia.<sup>151</sup>

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<sup>145</sup> MBA/NSW, *Minutes of (Adjourned) General Meeting*, 25.2.1947.

<sup>146</sup> MBA/NSW, *Minutes of General Meeting*, 27.5.1947.

<sup>147</sup> *Commonwealth Arbitration Reports*, vol. 61, (1948), p. 137.

<sup>148</sup> *NSW Industrial Gazette*, vol. 88, 1948, pp. 755-61.

<sup>149</sup> Ferguson, 'The Causes and Effects', pp. 80-84.

<sup>150</sup> *Commonwealth Arbitration Reports*, vol. 68, (1950), pp. 1028-49.

<sup>151</sup> *Commonwealth Arbitration Reports*, vol. 70, (1951), p. 358.

An interim award established by the Commonwealth Conciliation and Arbitration Commission<sup>152</sup> applied only in the states of Victoria, Tasmania and South Australia. After the registration of the ASC&J was confirmed on 4 June 1952,<sup>153</sup> the federal Commission made a NSW award.<sup>154</sup> Whilst the ASC&J federal award in NSW contained a preference clause in favour of ASC&J members, the MBA/NSW continued to regard the *Carpenter and Joiners and Bricklayers (State) Award* as the principal award. It recognized the continued dominant role of the NSW/BWIU in representing carpenters and joiners, as well as bricklayers, in NSW.<sup>155</sup>

Pat Clancy became Secretary of the NSW/BWIU in 1955 and, ignoring the deregistration of the BWIU in 1948 and the lucky escape of the NSW/BWIU in the previous year, spearheaded industrial action during 1956 and 1957 pursued in the name of a reconstituted BTG.<sup>156</sup> The MBA/NSW was presented with two separate logs of claims in 1957. The first was received on 28 February 1957 from the NSW/ABLF seeking a variation to its (July 1955) unregistered agreement with the MBA/NSW. The union wanted increased wages for the two classes (skilled and unskilled) of labourer, an industry allowance, an increase of 24 hours (to 32 hours) per month wet weather allowance and cost of living adjustments. The claim was based on an agreement that the ABLF had secured from the Master Builders' Association of Victoria (MBAV). The claim was rejected and it was resolved to cancel the existing agreement with the NSW/ABLF should the union pursue an industrial campaign in support of its claims.<sup>157</sup>

The BTG presented the second log to the MBA/NSW on 24 May 1957. It sought increased margins for skill, a guaranteed wage for 52 weeks, three weeks annual leave, an industry allowance, payment for public holidays without loss of loadings and promoted the increases previously sought by the NSW/ABLF. That claim was also rejected.<sup>158</sup> The NSW/ABLF joined with the NSW/BWIU and other unions in 'a series of illegal stoppages on a number of the larger projects in the metropolitan area', and the MBA/NSW resolved to revoke its 1955 agreement with the NSW/ABLF and to ban MBA/NSW members from recruiting additional labour if there were further stoppages of

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<sup>152</sup> Ibid., p. 356-90.

<sup>153</sup> *Commonwealth Arbitration Reports*, vol. 74, (1952), pp. 921-33.

<sup>154</sup> *Commonwealth Arbitration Reports*, vol. 75, (1952-53), p. 537.

<sup>155</sup> Interview with L. J. Cooper, Life Member of MBA/NSW, member of the MBA Industrial Relations Negotiation Committee 1950-72, 4.6.1992.

<sup>156</sup> MBA/NSW, *Annual Report*, 1957.

<sup>157</sup> MBA/NSW, *Minutes of Special Meeting*, 19.3.1957.

<sup>158</sup> MBA/NSW, *Minutes of Meeting of Council of Management*, 11.6.1957.

work on a fellow member's building project.<sup>159</sup> The activities of NSW/BWIU officials were so aggressive that F. T. Eastment & Sons, early in 1957, successfully applied for the revocation of the entry and inspection permit held by a BWIU organiser.<sup>160</sup>

In light of widespread stoppages, the MBA/NSW decided to set up the Industrial Advisory Committee to oversee its strategy against the NSW/ABLF.<sup>161</sup> Despite initially intended to be temporary in character, the Industrial Advisory Committee (IAC) became a Standing Committee and was charged with monitoring strategy during the currency of any strike.<sup>162</sup> The MBA/NSW also had a Conciliation Committee, comprised of its nominees to conciliation committees of the Industrial Commission of NSW, that addressed issues related to industrial awards.

The MBA/NSW responded to the BTG claim by successfully applying for the deregistration of the NSW/BWIU under the NSW Industrial Arbitration Act. However, the order for cancellation was allowed 'to lie in the office of the Registrar' for a short period to enable the union to make an application to the Commission that it would observe its policy against illegal Strikes.<sup>163</sup> The Court declared: 'In such an application it will be essential for the Executive of the Union to declare and affirm that the policies of the Union is that prescribed for in Rule 54 "Illegal Strikes" and in Rule 30 "Duties of Members", and to give an undertaking satisfactory to the Commission that such policies would be observed by the Union, its Executive and members.'<sup>164</sup> The Union was also to give undertakings not to sanction any black bans or go-slow campaigns, and to ensure that its representatives observed the provisions of permits issued to them under s.129A of the Act. The NSW/BWIU gave these undertakings and in the following year the number of disputes decreased and the lightning strikes had ceased.<sup>165</sup>

### **Industrial Relations - Breaching MBA/NSW Rules**

Due to the increasingly volatile state of industrial relations arising from labour shortages and its own sudden growth from its affiliated membership, the MBA/NSW initiated an industrial relations policy that precluded its membership from holding individual discussions, or entering into any form of bargaining, with the trade union

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<sup>159</sup> MBA/NSW, *Minutes of Special Meeting*, 15.7.1957.

<sup>160</sup> *NSW Industrial Gazette*, vol. 126, 1957, pp. 751-67.

<sup>161</sup> MBA/NSW, *Minutes of Special Meeting*, 29.7.1957.

<sup>162</sup> MBA/NSW, *Minutes of Industrial Advisory Committee meeting*, 19.8.1957.

<sup>163</sup> *Ibid.*, vol. 127, 1957, p. 406.

<sup>164</sup> MBA/NSW, *Minutes of Council of Management meeting*, 12.11.1957.

movement.<sup>166</sup> Whilst the emergence of the builder/developer was not a new phenomenon, MBA/NSW members in the past had restricted their development activities to the purchase of land and the construction of speculative housing.<sup>167</sup> A new concept was introduced in 1958 when Civil and Civic Contractors Pty Ltd floated the company Lend Lease Corporation Limited. Civil and Civic owned 40 per cent of Lend Lease, which was to act as the proprietor to Civil and Civic for buildings that Lend Lease was to develop for lending or leasing.<sup>168</sup> Civil and Civic through its symbiotic relationship with Lend Lease avoided the highly competitive tendering system with its under-cutting practices and its restrictive contracts. Civil and Civic made an industrial agreement with various trade unions in 1958 that provided for indiscriminate over-award payments and breached MBA/NSW rules concerning private agreements.<sup>169</sup>

A representative of James Wallace Pty Ltd lodged a complaint with the MBA/NSW on 17 October 1958 about the Civil and Civic agreement.<sup>170</sup> G. J. Dusseldorp, of Civil and Civic, confirmed the truth of the complaint. The General Manager summoned Dusseldorp to appear before the Council and answer the charges.<sup>171</sup> On 9 December 1958, Mr. Dusseldorp responded in a letter hand-delivered to the MBA/NSW on the morning of the Council meeting and stated:

..... I observe that your customary practice of giving me almost no notice of important meetings and events has been adhered to. As it happens, it makes little difference in this particular instance since it is not my intention to attend any meeting in response to a summons.<sup>172</sup>

The Council of Management directed the General Secretary to serve a fresh summons on Mr. Dusseldorp.<sup>173</sup> That summons was served on 5 January 1959 and, whilst in his written response of 13 January 1959 he acknowledged the courtesy of the Council in recognising the shortness of the previous service, Mr. Dusseldorp again refused to attend the meeting and the Council moved to obtain legal opinion.<sup>174</sup> This

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<sup>165</sup> MBA/NSW, *Annual Report*, 1958, p. 7.

<sup>166</sup> MBA/NSW, *Special General Meeting*, 6 .7.1954.

<sup>167</sup> Eg. John Young, the first MBA/NSW President, built speculative housing on the area known as North Annandale which he bought as an investment in 1877. Bede Nairn (gen. ed.), 'John Young', *Australian Dictionary of Biography*, vol. 6, Melbourne University Press, Carlton, 1976, pp. 454-5.

<sup>168</sup> Murphy, *Challenges of Change*, p. 31.

<sup>169</sup> MBA/NSW, *Minutes of Council of Management*, 11.11.1958 – Appendix `C`.

<sup>170</sup> MBA/NSW, *Minutes of Council of Management*, 21.10.1958.

<sup>171</sup> MBA/NSW, *Minutes of Council of Management*, 11.11.1958.

<sup>172</sup> G. J. Dusseldorp, *Letter to General Manager, MBA/NSW*, 8.12.1958.

<sup>173</sup> MBA/NSW, *Minutes of Council of Management*, 9.12.1958.

<sup>174</sup> MBA/NSW, *Minutes of Council of Management*, 20.1.1959.

suggested that the company had not breached the policy, as it could not be shown that it had acted contrary to the best interest of the building industry and the general public. It warned against pressing the charge as Civil & Civic could invoke the protection of the Commonwealth *Conciliation and Arbitration Act*.<sup>175</sup> The charge was withdrawn.<sup>176</sup> This failure highlighted two issues. First, it highlighted that the management of the new type of MBA/NSW membership, the large public company, was not willing to blindly conform to the Association's disciplinary procedures. Second, it highlighted the inadequacy of the wording of at least one of the MBA/NSW policies, particularly in light of the overreaching authority of federal industrial relations legislation. The MBA/NSW, however, appeared to have learned nothing from that experience and made changes to neither the wording nor intent of its policies, which continued to be challenged over the next fifteen years.

## Conclusion

During the immediate post-war period, the internal equilibrium of the MBA/NSW was challenged as its membership diversified. The traditional leadership by major general contractors began to break down. The post-war housing encouraged the growth of small and medium sized building firms that specialized in housing construction in the growing Sydney suburbs. These builders became more involved in the MBA/NSW, with the presidency of C. G. E. Paynter being the most dramatic example. The MBA/NSW met this challenge by tightening its structure and absorbing its suburban associations in 1957. Only four presidents were drawn from the major contracting area: during the period 1946-1960, and Silas (Si) Edwards, of A. W. Edwards Pty Ltd, whose presidency in 1960, was to be the last MBA/NSW President drawn from ranks of the major contractors. Medium sized builders, who tended to focus on building homes in suburban Sydney, were growing in significance within the new MBA/NSW management structure introduced in 1957.

A boom in the construction of multi-storey buildings commenced in the latter part of the 1950s following the removal of height restrictions and restrictions imposed by the *National Security (Fair Rents) Regulation*. That boom was exacerbated by the demand for parking stations. The benchmark of what constituted a major contractor was suddenly

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<sup>175</sup> J. T. Ludeke, *Opinion (MBA of NSW)*, Wentworth Chambers, Sydney, 9.2.1959.

<sup>176</sup> MBA/NSW, *Minutes of Council of Management*, 10.2.1959.

raised by the enormous costs involved in constructing the tall buildings that were sought by investors and proprietors. The large corporations that were formed to carry out such construction introduced a new type of major contractor to the MBA/NSW membership. They could also challenge the authority of the association, as Civil and Civic successfully did in 1958 in regard to the MBA/NSW industrial relations policy prohibiting members from entering into collective bargaining with unions. The acceptance into membership of building firms from other states, who operated in NSW, also impacted on the internal dynamics of the MBA/NSW as they brought the values and industrial responses acquired from their home states. In addition, many MBA/NSW members also worked in the civil construction area and some sought advice from other sources such as Employers' Federation of NSW and Metal Trades Industry Association (MTIA), which impacted on their attitudes to industrial relations in the building industry area. The professional character of the services provided by those two associations influenced the MBA/NSW to employ its first industrial officer.

There were also external challenges. The growth of civil construction projects such as the Snowy Mountains Scheme and power stations in NSW led to the formation of an association of civil contractors that was to prove a serious opponent to the MBA/NSW. Material shortages in Victoria led a number of small builders to form an association to assist them obtain a fairer share of building supplies. This organization nationally became the Housing Industry Association (HIA), and its branch in NSW was to become a strong competitor and opponent of the MBA/NSW. It had a strong belief in industry self-regulation and was opposed to any licensing by Government, preferring the registration of house-builders by either their association or by their association's warranty body. It believed that a tradesperson, with appropriate experience, should be allowed to operate as a builder and be monitored by his association, and that an internal association committee would discipline, and when necessary expel, incompetent and recalcitrant builders. It opposed the MBA and the Australian Institute of Building (AIB) over their focus on formal qualifications and, in particular, their support of a university degree.

The functions of the MBA/NSW in regard to contracts and industrial relations continued. There were labour shortages and material shortages. Cottage builders faced unfair competition for building materials from the Housing Commission of NSW, whose operations briefly resuscitated the issue of day-labour. The labour shortages were overcome when the number of tradesmen increased due to the Federal Government's

immigration scheme. The MBA/NSW sponsored a building degree course and continued to fight for the registration of builders.

The tight labour market underpinned a major push by unions for the control of the recruitment of building labour and improvements in wages and conditions. The NSW/BWIU, with a new Communist leadership, became more aggressive and barely escaped deregistration on two occasions. During the various industrial campaigns that occurred in the 1950s, the MBA/NSW tried to minimise overaward payments and tighten control of industrial disputes through the establishment of an Industrial Advisory Committee.