Low Pay and Working Time: The Case of Contract Cleaners
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ABSTRACT

Low pay is usually discussed in terms of hourly rates of pay. But from a worker’s point of view low pay is most directly experienced as inadequate when it is too low over the week, the month or the year. Using these longer timeframes pushes the discussion of low pay towards topics such as working-time arrangements. Causes of low pay can be seen to include insufficient hours of part-time work (underemployment) or irregular schedules that lead to intervals of joblessness. In this paper we look at the case of cleaners from the contract or commercial cleaning industry, drawing on ABS data, documents and other secondary literature, as well as a program of interviews with cleaners and cleaning managers. We argue that cleaning work is characterised by low pay, short hours and high workloads. This unfortunate combination of job characteristics is anchored in the structure of the industry, the practices of property owners, property tenants and cleaning companies, and a combination of the deficiencies of current systems of both labour regulation and social security. Practices of labour cost-cutting oriented to lowered standards and intensification have been particularly important.

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Low pay is usually discussed in terms of hourly rates of pay. But from a worker’s point of view low pay is most directly experienced as inadequate when it is too low over the week, the month or the year. Using these longer timeframes pushes the discussion of low pay towards topics such as working-time arrangements. We can see that even if the hourly rate is reasonable, pay can still be too low if the job does not offer enough hours or if the job is too irregular or unstable, leading to intervals of lower pay or even joblessness. Contract or commercial cleaners, understood here as cleaners who work as employees of contract cleaning companies, offer a good example of this general point. They are often low-pay workers; however, the central problems that they currently face are due partly to low hourly rates but also partly to problematic working-time arrangements, which reduce earnings over the longer term and lessen the quality of their jobs.

This paper describes the problematic working-time arrangements of cleaners and then seeks to explain how they arise and persist. We use data from the Australian Bureau of Statistics (ABS), other secondary literature and documentary material, and a program of interviews with cleaners and cleaning managers. The program of interviews comprise, first, 27 semi-structured interviews with low-paid contract cleaners (19 in Melbourne and eight in Adelaide), conducted from late 2005 to late 2006 as part of a project on low-paid service sector workers (Masterman-Smith, Pocock and May 2006), and, then, five additional interviews with other stakeholders in the industry – one union official, one employer, two representatives from employer associations and the editor of a cleaning industry newspaper – conducted by the authors in the second half of 2007. The interviews are not representative, but they are important for providing insights on the lived experience of contract cleaning work.

The paper draws on and adds to a small body of literature on the industry in Australia. The main trade union that covers cleaners, the Liquor, Hospitality and Miscellaneous Union (LHMU), has produced useful background material in the context of its campaigns on wages and conditions, for example its campaign with school cleaners (Walsh 2004) and its Clean Start campaign with office cleaners in the Central Business District (CBD) (LHMU 2006, 2007). This can be supplemented by employer statements (eg Norris Cleaning Company 2007). There are a few personal accounts (eg Wynhausen 2005), as well as some background newspaper reports (Wynhausen 2003, 2004). Recent
academic studies are scarce. The key work stems from doctoral research by Shaun Ryan on contract cleaning in Australia and New Zealand (Ryan, 2001a, 2001b; Ryan and Herod, 2006), but we can also cite a few case studies: the outsourcing of school cleaning in NSW (Fraser, 1997); occupational health and safety for immigrant workers in a large NSW cleaning company (Alcorso 2002); and new regulation for school cleaning in Victoria (Howe and Landau 2007). One valuable recent investigation for WorkCover NSW, involving interviews with 66 cleaners as well as observation of their work methods, looked at the occupational healthy and safety risks of repetitive manual tasks in cleaning (Weigall et al 2006). Some comments on the impact of changing labour regulation in Western Australia on cleaners can be found in Watson et al (2003: 127–129). The recent project on low pay, led by Masterman-Smith and Pocock (Masterman-Smith, May and Pocock 2006; Masterman-Smith, Pocock and May 2006; Masterman-Smith and Elton 2007), includes interviews with cleaners on their experiences of low pay.

In the first section of the paper we use the official statistics to introduce the contract cleaning industry and workforce. The second section discusses pay, hours and workloads, and it describes a dominant profile of low pay, short hours and high workloads for cleaning work. In the third section we identify practices of labour cost-cutting that are oriented to lowered standards and intensification, and we seek to explain the underlying dynamics that produce these practices.

THE CONTRACT CLEANING INDUSTRY: FIRMS AND WORKERS

Cleaning of large premises such as office buildings, schools and hospitals can be done within the framework of varied employment relationships. In the past, cleaning was generally done by direct (‘in house’) employees of the building’s owner/manager, but nowadays the work is more often outsourced to a specialist company that supplies cleaning services on a contract basis. The owner/manager of the premises releases a tender document, with specifications of the services required (including tasks, methods, and preferred hours of cleaning) and contract cleaning companies compete to win the tender. The competition is often fierce and the successful bidder will generally be the one offering the lowest price. In most cases, the successful tenderer will then assemble a group (a ‘team’) of cleaners, either directly employed or sometimes drawn from a labour-hire firm, to carry out the contract at the site of the client. In some circumstances, however, the successful tenderer in turn subcontracts, passing the contract on to another firm or several firms or even to individuals at a reduced price.

A good starting-point for understanding the structure of the industry in Australia, though now dated, is an ABS survey of employers in the ‘cleaning services industry’, conducted in 1999 (ABS 2000). The ‘cleaning services industry’ (ANZSIC 7866), defined as made up of ‘businesses mainly engaged in providing window, building (interior), office, domestic or similar general cleaning services’, approximates closely to what we understand as ‘contract cleaning’. Almost 6,000 businesses were included in this industry. Cleaning of commercial buildings and offices was the main activity for most (49 per cent) of the businesses, but also important was cleaning of education premises (13 per cent) and domestic cleaning (12 per cent). Most income (76 per cent) was derived from private sector clients, with government clients accounting for the remainder (ABS 2000). We know from other sources that the market for contract cleaning has grown rapidly over recent decades, stimulated by a trend to outsourcing in the private sector and compulsory tendering and contracting-out in the public sector (Ryan 2001b; Fraser 1999; Ryan and Herod 2006: 493ff).

Contract cleaning companies may be micro enterprises with just one worker, but most often they are small or large businesses with several employees. The industry includes some very large firms. The two largest, Spotless and Tempo (now owned by Danish multinational ISS), are global firms, ranked in the top 100 firms in Australia, and are involved in operations that spill over from cleaning to ‘facility management’ (Ryan and Herod 2006: 491; see Ryan 2001b). At the
time of its takeover by ISS in early 2006, Tempo employed over 20,000 workers. In the ABS ‘cleaning services’ survey, the larger businesses with 100 or more employees accounted for 54.9 per cent of all employment, up from only 37 per cent ten years previously (Ryan 2001b: 46). This suggests that the industry is undergoing a process of concentration. However, a small firm segment persists because of the low capital barriers to entry, which facilitate the constant formation of new small firms searching for profit-making opportunities. In all branches labour costs are crucial, responsible for an estimated average of 70 per cent of total expenses in 1999 (ABS 2000; Watson et al 2003: 127).

The industry can be regarded as highly competitive, but it is noteworthy that large and small firms may also be collaborators, linked together in a chain of subcontracting. In addition, inter-firm relations can be complicated by franchising (Ryan and Herod 2006: 492–493). Profit margins on contracts are often very low, as little as one to five per cent of the contract price. However, the high levels of turnover and the low capitalisation required for continued existence means that annual rates of profit on capital deployed can be much higher (Brosnan and Wilkinson 1989: 84–85; cf ABS 2000).

Contract cleaning is an industry that is easy for workers as well as firms to enter. Recruitment is generally by word-of-mouth, through informal networks. Because the industry is characterised by constant turnover of contracts, firms and workers, minimal qualification and skill requirements, and – as we shall see – jobs with hours that are often short, it is attractive to certain kinds of workers. The short hours, often outside of normal nine-to-five, mean that cleaning work can be attractive to students, second job holders, and persons supplementing their income from social security. However, the industry also draws workers seeking full-time work. In recent decades, as jobs in manufacturing have dried up, contract cleaning has been an important channel into the paid workforce for recently-arrived migrants lacking recognised qualifications and English-language proficiency (Colic-Peisker and Tilbury 2006; Fraser 1997: 30–31). Indeed some cleaning firms are organised on an ethnic basis, recruiting in just one or a few communities (Ryan and Herod 2006: 496), and some firms have ventured into overseas recruitment of cleaners, who are brought into Australia on temporary visas (Wynhausen 2004). The industry can also be appealing to Anglophone workers with few formal qualifications and skills. The turbulence and instability in the industry and the fact that firms are often small and short-lived offers a favourable environment for illegal practices such as cash-in-hand payments. This can be useful to employers, who are able to avoid certain regulations, and it can facilitate work for persons who wish to breach visa conditions, such as visa over-stayers and foreign students, or to breach the conditions of the receipt of social security benefits.

According to the ABS ‘cleaning services’ survey, total employment at the end of June 1999 was 95,001 persons, of whom 90,267 persons were employed as cleaners. Some were in sole proprietorships, but the vast majority were employees of larger firms. The data also give a rough outline of the type of employment for employees in the industry (Table 1). They suggest a strong bias to part-time employment. Only a small minority of the employee workforce were recorded as full-time permanent employees. There was a sizeable casual component, estimated at 27.3 per cent of all employees. But perhaps more surprisingly, the majority of part-time employees (49.9 per cent of all employees) were recorded as part-time permanent employees.

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1. The large contract cleaning companies have been described as ‘hollow’ entities, because they formally organise workers on somebody else’s site and possess few tangible assets apart from offices for their managers (Allen and Henry, 1996, p. 73). The point can be applied to most cleaning companies, whose main asset is their ability to mobilise energetic and willing workers and to retain the goodwill of their clients.
Table 1: Employees in Cleaning Services, June 1999

<table>
<thead>
<tr>
<th></th>
<th>Full-Time Permanent</th>
<th>Part-Time Permanent</th>
<th>Casual</th>
<th>All Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>11905</td>
<td>21282</td>
<td>12029</td>
<td>45217</td>
</tr>
<tr>
<td>Female</td>
<td>8778</td>
<td>23969</td>
<td>12710</td>
<td>45456</td>
</tr>
<tr>
<td>Persons</td>
<td>20683</td>
<td>45251</td>
<td>24739</td>
<td>90673</td>
</tr>
</tbody>
</table>


Table 1 indicates that the industry was made up of almost equal numbers of male and female employees. The men were slightly more likely to be full-time permanent, but the gender composition of each type of employment was surprisingly similar. Though data showing this are scarcer, it is clear that ethnicity is important in defining the contract cleaning workforce, with many men and women cleaners, especially in the metropolitan centres, coming from non-English speaking backgrounds (Weigall et al 2006: 40; Alcorso 2002; Fraser 1997).

Additional information can be drawn from data for the ABS category of ‘commercial cleaners’ (ANZSCO 8112), defined as persons who ‘clean offices, residential complexes, hospitals, schools, industrial work areas, industrial machines, construction sites and other commercial premises using heavy duty cleaning equipment’. Though this category is not identical to contract cleaners, it overlaps significantly. The 2006 Census revealed 112,607 workers who could be classified as ‘commercial cleaners’ in their main job. The vast majority (95,270 or 84.6 per cent) were employees. However, in contrast to the earlier data for cleaning services, women made up a larger proportion (65.2 per cent) of commercial cleaners who were employees.

Data for the actual weekly hours of ‘commercial cleaners’ confirm the importance of part-time work (Figure 1). Only 45.3 per cent of the men and 22.8 per cent of the women worked 35 hours or more in the 2006 Census reference week. By contrast, many men and women worked between one and 15 hours in the reference week. Next to checkout operators and sales assistants, commercial cleaners appear to be the occupational group with the highest proportion of employees working very short hours (ABS data supplied on request).

Figure 1: Commercial cleaners, employees not owning business, distribution of actual weekly hours, 2006

2. These data cover all jobs held by the employee. Multiple jobholding is common amongst cleaners, and in some cases the second or third job may not be a cleaning job. However, the addition of other cleaning jobs appears to be the most common form of multiple jobholding (Weigall et al 2006: 41).
Some commentators suggest an increasing trend toward part-time work amongst cleaners (Ryan and Herod 2006: 495). It is difficult to tell with the data for commercial cleaners, which are only available for 2006. However, on a broader definition, which includes all cleaners (ASCO 291), the part-time share amongst cleaning employees seems to have remained fairly stable, at least since the early 1990s, when it stood at around 63 per cent (Baxter 1998: 275; see ABS 2007). Average actual hours for these part-time cleaners have been volatile, but in 2007 they were recorded as 16.5 hours per week (ABS 2007).

THE WORK OF CONTRACT CLEANERS

To throw light on the main dimensions of contract cleaning work, such as pay, hours and workloads, it is necessary to dig deeper, using statistics, documents, case studies and interviews. Our interviews with low-paid contract cleaners cover a diverse range of circumstances. The respondents comprised 10 men and 17 women. Almost all were part-time, with only two, one male and one female, stating that their usual weekly hours were 35 or more. The part-time workers were split almost evenly between permanent part-time and casual part-time, but both full-time workers saw themselves as permanent. A small number (five) worked through a labour-hire agency, but most were directly employed by contract cleaning firms. Five stated that they had more than one job. Some were unsure about the main method of paysetting, but almost all the remainder cited the award as the crucial instrument, with only one – one of those employed through an agency – citing an individual agreement. Some (seven) used their wages from cleaning to top up a government benefit, but most relied primarily on wages.

Pay rates

Cleaners’ work is primarily regulated by awards, rather than collective agreements. Historically, state awards have been dominant, though these were abolished in Victoria in 1992 and were extensively displaced in other states in 2005 through the federal Coalition government’s WorkChoices legislation.

When state awards were abolished in Victoria some workers were left under inferior statutory minimum conditions, but others were able to make the jump to a federal award (Walsh 2004). The crucial instrument in Victoria is a federal award, The Building Services (Victoria) Award 2003, which specifies minimum wages and conditions for cleaners (AIRC 2006). The award distinguishes three categories of employment: (permanent) full-time; (permanent) part-time; and casual. Though it allows for a classification of cleaners into three grades, most work as Building Attendant Grade 1. With respect to pay rates, it sets a weekly rate for a full-time worker Building Attendant Grade 1, which in December 2006 was equivalent to a rate of $14.49 per hour for ordinary hours. The award then specifies that the hourly rate for a part-time (adult) Building Attendant Grade 1 is calculated by dividing the (adult) weekly wage of a full-time worker by 38 and then adding 15 per cent. As a result, the rate for part-time employees in December 2006 was $16.66 per hour for ordinary time. Earnings for all categories are likely to be boosted by penalty payments for work on Saturdays (time and a half), Sundays (double time), and public holidays (double time and a half), and additional payments are prescribed for early morning shifts, afternoon shifts and night or broken shifts. Casual employees are subject to a clause that suggests they ‘may only be engaged to perform work on intermittent or irregular basis or to work uncertain hours or to replace a weekly employee who is rostered off or absent’. They are exempted from most entitlements to leave, but they are entitled to ordinary hourly rates and allowances, and additional payments for shift and weekend work on the same basis as part-time employees, together with a casual loading of 25 per cent on the ordinary hourly rate (Daley 2006).
As this summary suggests, standard award pay rates in Victoria, as in most other states, are reasonable, though by no means extravagant (LHMU 2006: 8). Workers governed by the award gained steady rises over the period 1997 to 2005, as a result of the ‘Safety Net Review’ cases brought by trade unions before the federal Industrial Relations Commission (AIRC), now succeeded by judgments of the Australian Fair Pay Commission. The hourly rates specified in the award fall above the boundary for the definition of low pay, which is most commonly understood as two thirds of median earnings and was estimated at $14.03 per hour in 2004 (Masterman-Smith, Pocock and May, 2006: 371). Of course, it is still possible for employees to suffer low hourly rates if employers are able to find a way around the award standards. As noted above, some workers in Victoria were left on lower minimum rates set by legislation. In addition, it is legally possible for the employer to shift the contract cleaner to a different regulatory regime or instrument, which in turn may allow lower payments. The most common vehicle has been through use of registered individual contracts, known as Australian Workplace Agreements (AWAs). Wage rates can also be undermined through ‘distancing strategies’, which entail labour hire firms or individual independent contractors, or through use of special categories of workers such as trainees (Ryan 2001b: 51). Lower rates can also be achieved through less legitimate means, including informal cash-in-hand payments, non-payment of penalty rates for night or weekend work, and imposition of unpaid training periods.

It is difficult to estimate the extent of such practices. Some illicit practices were mentioned in interviews:

[I]n my last job I was taken, I was used ... up to twelve hours a day going from one job to another job you know till I could nearly fall. It was shocking but I got no penalty rates, I got no after hours ... And the idea was if you didn’t want to take the normal rate of pay you didn’t get the work. (ADSA 5)

[O]ne of the things that a guy did before he went under was apparently you’re supposed to be employed for no less than two hours a day, and he was only paying them for one and three quarter hours a day. (VIC 2)

The fullest account of practices designed to bypass award standards is provided in a recent union-sponsored study that involved an audit of firms and workers in school cleaning in Victoria (Walsh 2004: 9–11). This study documented the dominance of firms that paid their workers on the state minimum rates, which fell short of the award rates. It also noted one contracting firm’s pressure on workers to establish themselves as self-employed. In this case the company paid the equivalent of an award rate of pay, but the workers were required to pay for annual and sick leave entitlements, superannuation and insurance. In addition the report detailed the presence of illegal practices, such as underpayments, cash-in-hand payments, avoidance of superannuation payments, and avoidance of annual leave entitlements. It argued that in the absence of effective regulation the situation was becoming worse, as the pressure of competition developing around poor labour practices was forcing reputable contractors out of the industry (2004: 6–7).

Recent wages data for part-time non-managerial adults suggests that the average part-time cleaner earned an hourly rate of $17.50. Though modest, this was around the average for all occupations grouped together as ‘labourers and related workers’ (ABS 2006). This suggests that a reasonable floor of hourly pay rates is effective in most states. However, concerns remain about the existence of pockets of lower standards, linked to weak protective regulation, as well as a possible spread of such practices.

3. The main exception seems to be Western Australia, where an early form of labour market deregulation has left a legacy of depressed wages (Watson et al 2003: 127–131).
A problem for cleaners is that modest hourly pay rates go hand-in-hand with other problems, including in particular short hours. In the wages data, the average weekly earnings of part-time cleaners were the lowest of all the occupations in the ‘labourers and related workers’ group because the modest hourly rate was combined with relatively short hours per week (17.7) (ABS 2006). When the cleaners in our study spoke of low pay, they tended to relate it not so much to hourly rates but rather to short hours, and conversely, when they spoke of avenues for increasing pay, they referred to the need to pick up more hours. Cleaners can be working as little as two hours a day. Thus, even when the hourly rates are reasonable, the income from one job may be low. Moreover, low wages can be eaten up by the costs of travel, which can entail long and difficult journeys, often at unsocial hours (LHMU 2006: 8).

This point about short hours as the vehicle for low pay was made forcefully by one respondent:

Company X ... that’s where I work, they don’t pay badly per hour but they do keep the hours pretty low between the cleaners. Like I know a friend of mine, he’s been cleaning for years... He was doing like near 40 hours a week or something, and they just cut one of his jobs, about 15 hours a fortnight or something. Yeah, and he was really angry about that and, because it was quite a bit of money for him, and it sort of soured the relationship between him and the people … I think, well cleaners in general, I think, they get a fairly high rate. They don’t get many hours but that’s the way the company works it I think. Somehow they can ... They're a bit, you know, sparse in how much they offer it around to each of us. (VIC1)

Any explanation of low pay needs to examine the causes of short hours. This respondent hints at the role of employer practices, which we discuss in more detail in the next section. However, as his remarks indicate, the distinctive framework of working-time arrangements in contract cleaning, in which hours are geared to specific contracts (‘jobs’), is also important. A cleaner works, generally as part of a team, on a specific contract won by the employer, the contract cleaning company. Each ‘job’ is separate, linked to a particular site (a school or office block), and it comes with a pre-determined schedule, whereby a team of workers is deployed for a certain number of hours at a certain time. As a result, the work is fragmented by location and by contract, and the working-time of cleaners tends to be pressed into short schedules, with a limited package of paid hours attached to each ‘job’. In order to aggregate more hours, cleaners generally have to aggregate more ‘jobs’, either with the same employer or perhaps with another employer.

The respondent also usefully draws attention to the fact that the basic framework of working-time arrangements is unstable, with ‘jobs’ constantly at risk of changing or disappearing. This imparts a fundamental precariousness to the work and fosters a constant scramble to boost the number of ‘jobs’ and hours.

Some employees may be satisfied with such short hours, linked to just one contract. This is particularly true if the worker has access to a source of supplementary income – a pension, benefit or the earnings of other members of the household. But for many cleaners the short hours and the downward pressure on hours seem to be resented. Short hours are experienced as a channel for insufficient earnings and as underemployment, in the sense of an insufficient number of hours of paid work.

Workers can respond to underemployment by seeking a replacement position, which would guarantee more hours and more earnings. But, given the dominance of short hours in cleaning, such a solution seems to imply leaving the industry altogether. Less ambitiously, workers may chase more ‘jobs’ (at different sites) with their current employer. But this may depend heavily on the favour of the employer, and it can be hard to co-ordinate. Even if successful, the schedule may involve a long spread of hours, with little opportunity to use the ‘free time’ between jobs. Moreover, as the quote above indicates, compromises are hard to
sustain in the face of the instability of contracts, as they disappear or turn over. Another alternative is to chase additional work, perhaps with another cleaning company. This can also be difficult to co-ordinate and sustain, and it can lead to taxation disadvantages. Further, it is frowned on by employers worried about the implications for workers’ compensation in case of illness or injury. As one respondent pointed out:

I work two jobs, two different companies and yeah, one of my companies sort of said to me, well you’re not really supposed, we don’t like people working two jobs … And I sort of said to her, well I don’t really have a choice unless you can offer me a lot more hours. (ADSA 6)

In summary, many contract cleaners experience short hours together with frequent downward pressure on these short hours. The pressure fluctuates, as the work conditions change and as workers succeed or fail in their search for an optimal combination of hours and schedules. However, at any one time many are likely to be experiencing underemployment. This is supported by a recent survey of CBD office cleaners, which suggested that almost half (45.2 per cent) wanted more hours (LHMU 2007).

Workloads and work intensity
Working hours in cleaning are linked with other aspects of work, including in particular tasks and workloads. Cleaners deployed as part of a team for a particular job are generally given a set of cleaning tasks – a certain space to be cleaned in a certain way – and are told the number of hours for which the employer is prepared to pay in return for the completion of these tasks. The job comes with explicit workloads and norms of performance. These norms incorporate some element of quality but they are mainly to do with work effort, prodding workers to clean a specific number of rooms or a specific space within an allotted period of time. The short hours attached to the job function primarily as a constraint that serves to mould a high work effort.⁴

Many respondents stressed this link between hours and tasks, and drew attention to the high workloads that were involved (see also LHMU 2007):

We get given a certain hours to where we work. And you know some of the time it’s just not enough. The people expect you do what you’ve got to do, say three hours; well you could be doing it in four and a half. (VIC 12)

They only allocate you two hours to do your classrooms or whatever you’re doing. At the moment I’m over in the administration building and yeah you’ve got to juggle between the teachers in the staff room and some of them don’t like you in there and it’s a bit of a kerfuffle there and stuff. But no you don’t get enough time because you’ve got all the dusting and the spider webs and everything, so you just have to do a basic clean so you can’t exactly do the job that you would like to do. (ADVIC)

High workloads generally imply a high intensity of work, that is, high worker effort within the allotted number of hours. The evidence suggests a process of continual increases in workloads. In principle, higher workloads could be overcome by means of innovations in technology or work organization. Alternatively, the individual worker could avoid increased work intensity by allowing the work to spill over into unpaid hours. Similarly, s/he could avoid or reduce the increase in intensity by cutting corners and not performing certain tasks. The last of these may play a role in some workplaces, sometimes with the complicity of the

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⁴ This affects the role of supervision, which focuses on monitoring quality rather than work effort.
supervisor (Ryan 2001a: 128). However, in general the effect of higher workloads is to increase the intensity of work.\(^5\)

The NSW study of Weigall et al (2006: 43–46) identifies work rates as a central element in the risk factors producing a high incidence of musculoskeletal injuries amongst cleaners. Many cleaners in their survey reported that they often had to work very fast and often had to work intensively. The problem was exacerbated, especially for workers working alone or in isolated areas, by an inability to call for assistance with difficult tasks. As Weigall et al note (2006: 46–50), other risk factors associated with work organization included the lack of control of cleaners over many aspects of the job, in particular over what they did and the amount of work that they were expected to complete, and – at least in some cases – a lack of support from supervisors.

Evidence points to relatively high workloads in cleaning in Australia. One study cites current cleaning rates of 850–950 square metres per hour or even 1000 square metres per hour, compared to average rates in unionised buildings in the US of only 350 square metres per hour (Ryan and Herod 2006: 491). The reputation of Australia (and New Zealand) for high cleaning rates seems to go back many years, initially because firms in the region pioneered several innovations in company organisation, work organisation and technology (such as polishing and buffing machinery, improved chemicals and cleaning agents and the back-pack vacuum cleaner). But current techniques of contract cleaning do not seem to differ much amongst the advanced capitalist societies. The apparent advantage in Australia seems to have little to do with innovation and more to do with an increased intensity of work.

The high cleaning rates in Australia are based on high worker effort and high work intensity, and can be seen as the result of a process of intensification of work in which the norms and expectations concerning the level of tasks have been slowly ratcheted upwards. Several cleaners in the interviews mentioned this dynamic of intensification and gave examples from their experiences (see also Walsh 2004: 20–21). For example, one part-time casual cleaner, engaged in contract cleaning at a university, suggested that whereas in the past she had done an eight hour shift in one building, she was now cut down to a five hour shift and was expected to clean three buildings (VIC 11). A part-time permanent cleaner mentioned a similar experience in her work at another site. She explained that she was now part of a team of six working for two hours each weekday morning, whereas before there had been a team of thirteen, with ‘two girls to each section but now we’ve got one’ (VIC 18). She suggested that the intensification derived from the contractors:

> They’re all undercutting each other and it’s the cheapest one that gets it. And they’re expected to do a lot more work and then so they put it on to us. But they don’t want to give us the hours or anything to do it. (VIC18)

Sometimes intensification is only short-term, for example when workers are expected to pick up extra work caused by the absence of one member of the team. But more often it is long-term, and is usually associated with a turnover of contracts. Intensification can occur through: a) a cut in hours for the same tasks; b) retention of the same number of hours but an increase in tasks (perhaps achieved by cutting the number of team members); or c) both of the above. As one informant cited by the LHMU (2006: 16) explained:

> Each time the contract goes up for tender we worry about our jobs. Each time the contract changes I have watched the new contractor expect us to do the same work in less hours. That means even if they raise our wages the pay packet is cut because we’ve got less hours on the job.
High work intensity contributes to the problems faced by contract cleaners by consolidating short hours and fractured schedules, since it is hard to sustain a high pace of work over long shifts. This in turn keeps hours and income low. Workers find it hard to put together enough assignments or jobs to meet their needs and overcome underemployment. As one respondent noted, the intensity of each hour is a major barrier to building more hours:

I’d like to be able to support myself totally without having to worry about my pension or anything like that. But in order to do that in cleaning … it just isn’t there … You have to get two or three other jobs which means that the tax side of things kills you because you can only have one of the jobs that you have your low tax … I don’t know how much cleaning you can actually do in a day physically. (ADSA 4)

UNDERLYING DYNAMICS

In the previous section we identified problems of low pay, short hours, underemployment and high workloads. What are the dynamics behind these characteristics of cleaning work? The organisation of employment, in which small teams of cleaners are deployed to work on specific ‘jobs’, provides the framework. However, it is clear that any explanation must look closely at employer practices, as it is employers who define the size of the cleaning team, set the number of hours attached to each job, establish the preferred level of work intensity, supervise the carrying out of tasks and provide the final payment to the workers.

Employer practices are embedded in the nature of the industry. As one cleaner explained:

this industry is really a quite a nasty one with contracts, bidding and companies of course always want to have the thicker icing on the cake. So it's not them that suffer in the end it's the cleaners … We’re the ones that cop the cutting of hours or cutting of the job – new contractors come in. (VIC 14)

She was echoed by an employer representative, who stated:

there is so much competition for the work that’s available. There are sales people out there who are out there tendering who are willing to undercut the competition, so they'll try to cut their prices, and the only way you can cut prices is to cut labour. So, they think: we’ll make our people work a bit harder and we’ll get our commission bonuses for the job. On the one side you’ve got contractors cutting each other’s throats to get work, and on the other side you’ve got property owners taking the lowest price for each job. (Employer Representative 2)

The fierce price competition identified by the interviewees is reflected first of all in the approach of the property owners/managers, who are seen as screwing down the price of contracts heedless of the implications for the conditions of workers or the quality of the service. This is achieved by setting a short life for each contract and then by judging all bids on price. The life of contracts varies, but Ryan (2001a: 125; see Ryan and Herod 2006: 496) suggests that ‘while NSW public sector contracts have an average life of 3–5 years, private sector contracts can turnover as regularly as every six months’. Similarly, though exceptions exist, most commentators agree that owners/managers use price as the decisive criterion when awarding contracts. This close attention to price seems anomalous and unnecessary in a context where property service costs are relatively small and property owners are enjoying record profits (LHMU 2006: 12). Some conclude that property owners/managers are to blame for the problems of the industry. For example, Ian West, a former LHMU official, argues:

the biggest culprits of the lot are building owners and managers who know what the award rates of pay are but consistently take the lowest tender, knowing that it won't be enough for the
cleaners to get the correct pay and conditions (cited in Wynhausen 2003).

Fierce price competition is also reflected in the behaviour of the contracting cleaning companies. Numerous firms are jostling for business and willing to offer low prices in order to secure the work. Ryan and Herod (2006: 491) note that ‘such is the nature of the competition that firms often bid on contracts at a loss, hoping to recover costs by subcontracting work to cheaper providers, by cutting cleaners’ hours and reorganising work ...’. The contractors aim to get the contract, even with ‘nonsensical pricing’ (LHMU 2006: 5), and then ‘just try to make it work somehow’ (Inclean Australasia 2005: 20).

LABOUR COST-CUTTING PRACTICES

In order to survive, some contract cleaning companies try to sidestep the pressure by building customer loyalty or by focusing on prestige projects and large clients, especially in the public sector. Another approach is to engage in value-adding, for example by moving more towards facility or event management that adds on services such as maintenance, security, catering, dry-cleaning and laundry. However, these approaches are usually the prerogative of the larger firms. Most contract cleaning firms are obliged to submit to price competition. This implies cost-cutting, and because labour is the main component of cost, this implies cutting labour costs. As Brosnan and Wilkinson (1989: 87) argue:

‘The key to understanding the economics of contract cleaning is its inherent labour intensity, with few opportunities for increasing labour productivity by capital investment or innovation. Consequently, the surplus for the profitable operation of private capital is essentially obtained by using less labour, i.e. lowering existing standards, and by an intensification of the labour employed.

Options for cutting labour costs are shaped by varied factors, including the vulnerability of workers. One decisive factor is labour regulation, understood not just in terms of formal legal regulation through statutes, awards and agreements, but also in terms of other forms of regulation, hard or soft, such as informal trade union practices and codes of conduct aimed at protection of workers (Howe and Landau 2007). This is a complex and ever-changing area, especially in Australia where the slow unfolding of a neo-liberal program of ‘labour market deregulation’, aimed at dismantling the award system (Campbell and Brosnan 1999), has been a central political and economic process for the past two decades. As Watts (2006) points out, this also needs to be read together with changes to welfare provision in recent times, with an increasingly complex and punitive social security system supplying a ready pool of labour. The effects, he argues, will be the continued and increasing churning of welfare claimants (recently extended to sole parents and the disabled) into the increasingly unprotected low end of the labour market. The interviews with cleaners indicated the hazards and difficulties many experienced in juggling low pay and social security, and the willingness of many to put up with poor pay and conditions in order to either maintain some connection to social security (when work dries up or slows down) or avoid the stigmatisation associated with being on welfare (see also Masterman-Smith, May and Pocock 2006: 11–12).

As Brosnan and Wilkinson suggest, the main options for contract cleaning companies confronted by the need to cut labour costs can be broadly categorised as intensification and lowering existing standards. The precise way in which these present themselves is shaped by labour regulation. Intensification is the most straightforward option, and it seems to be the dominant approach for many contract cleaning firms. There are few barriers to intensification in standard award regulation. Workloads are rarely subject to formal regulation, though the duty of care under health and safety legislation may offer one lever for workers. A floor has been set for short hours under standard awards, but it is generally set at a low level. For example under the Building Services (Victoria) Award 2003, minimum payments are two hours on Monday to Friday and Saturday and three hours on Sunday.

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Lowering existing award standards can be achieved through either legal or illegal means. Such practices have always been possible in Australia, but their importance seems to be growing. They are spreading out from the small firms that have traditionally been the main site of avoidance of labour standards through mechanisms such as underpayments, to a larger sweep of firms. Further, more mainstream, legal ways of circumventing regulatory requirements are being added.

We have distinguished three main ways of lowering standards. First is the circumvention of award standards through other industrial instruments, including in particular registered individual contracts. Common law individual contracts are the bedrock of labour regulation, but they are overlaid by regulation through statute, awards and agreements. Starting in Western Australia in the 1990s, neo-liberal governments opened up a new stream of registered individual contracts that allowed employers to undercut standard awards. After an initial pause, contract cleaning companies in Western Australia began to use the new WPA s to undercut the Contract Cleaners’ Award. The result was a destructive downward spiral of wages and conditions, which removed penalty payments and other protections and left cleaners in Western Australia with the poorest wages and conditions in the nation (Watson et al 2003: 127–129; LHMU 2006: 18). The federal system has incorporated similar opportunities for registered individual contracts (AWAs) since 1996, but most cleaners have been insulated from the risks because they were covered by state awards. Although the 2005 WorkChoices legislation extended the reach of the federal system, cleaning employers were hesitant to take up the enhanced opportunities to use AWAs. The election of a federal Labor government in November 2007 may close off this opportunity, though the ability to use instruments such as non-union collective agreements is likely to persist as a feature of the federal system.

Second is circumventing award standards through use of ‘independent contractors’. The boundary between employees and non-employees in Australia has been largely regulated by common law, progressing by means of an accretion of court cases that seek to deploy varied tests in order to establish the difference between a contract for service and a contract of service (Bennett 1994: 171–177). The result has been confusion and extensive opportunities for employers to exploit the boundary (Creighton and Stewart 2005; Stewart 2002). If workers are engaged as ‘independent contractors’ rather than employees, employers are able to benefit by avoiding paying standard pay rates and standard entitlements. Such ‘independent contractors’ can be engaged directly or engaged through a labour-hire company. The ability of labour-hire firms to supply construction workers in the form of ‘independent contractors’ rather than as employees was tested in the 1991 Odco case, which established the legality of the arrangement so long as specific conditions were met. In the wake of this judgment Odco-style arrangements spread to many other industries, including contract cleaning.

Subsequent efforts to limit the abuse of ‘independent contractors’ included the insertion of restrictive provisions in collective agreements.

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7. An employer representative explained this hesitancy by suggesting that employers had access to better opportunities for lowering standards through other mechanisms: ‘I’ve provided AWAs for members to use, but the majority aren’t using them, because they’ve already gone further in using subcontracting. Subcontracting is the key issue, because it’s driving prices down.’ (Employer Representative 2). The employer organization representing small and medium firms, the Australian Cleaning Contractors Association (ACCA), did promote a model uniform AWA that reduced penalty payments.

8. One example of its use in contract cleaning appears in the celebrated case of Damevski v Giudice, which concerned a cleaner who was told by his employer that he had to shift his employment to independent contractor status through a labour-hire company. He was assured that ‘nothing would change’ and indeed he continued to work in much the same manner as before. Although the arrangement was eventually rejected in the Federal Court, many commentators agree that only minor adjustments to the scheme would be needed to ensure that the same aim of disguising the employment relationship was reached (LHMU 2006a).
and the introduction of legislation in some states to 'deem' workers as employees for certain purposes. But the former was prohibited under WorkChoices and the latter was displaced by the Independent Contractors Act (Riley 2006). The fate of these measures under the incoming federal Labor government is still unclear.

Third is the traditional approach to lowering standards by illegal practices such as underpayments, cash-in-hand payments, avoidance of superannuation payments, and avoidance of leave entitlements. Non-compliance with labour standards can affect any regulatory system, and enforcement is always a particular challenge in an industry such as contract cleaning, with many small firms and a scattered workforce, working in a largely invisible manner at non-social times. But the scope of the problem seems to be widening, with less commitment by governments to the enforcement of labour standards, increased restrictions on trade unions (which have traditionally carried much of the burden of enforcement) and an expanding supply of labour made up of vulnerable people churning in and out of (or, in the case of recently arrived immigrants and temporary protection visa holders, excluded from) the social security system.

Subcontracting exacerbates the risk of illegal practices. Subcontracting can be fully above board, but its survival and spread seems to derive from the opportunities it provides for fostering illegal practices. Thus the chain of subcontracting at ever reduced prices trails away into a shadowy realm of small firms and individuals, where illegal practices can be pursued without much risk of detection or protest. Wynhausen (2003) cites an example of a supermarket chain (Woolworths), which organises its tenders through a procurement company (Cyberlynx), which grants tenders to a company (Jae My), which subcontracts to other companies (unnamed), which then pay their workers below the award rate. In this way subcontracting becomes a convenient vehicle for illegal practices.

When they use these approaches to cutting labour costs, contract cleaning firms achieve a competitive edge through poor labour practices. They successfully transfer some of the burden of competition to the workers themselves. Each of these paths is bad for cleaners, importing further precariousness and lowering job quality. Intensification is the traditional path, but it faces limits. It seems that it is increasingly being supplemented by other cost-cutting approaches, including the use of independent contractors and the spread of illegal practices through subcontracting.

Recent accounts of contract cleaning in countries such as the United Kingdom (Allen and Henry 1996; Pai 2004) and Canada (Aguiar 2001, 2006) point to some similar features. A case study of contract cleaning at Canary Wharf in London argues that ‘low wages are the key to profit’ (Pai 2004: 164). The author details efforts to avoid labour standards for most workers, but with clearly differentiated employment terms for those with the right papers and those without (undocumented workers). A Canadian study (Aguiar 2001: 251–252, 254) cites a dynamic of intensification (though this is attributed to the greed of contractors rather than to the consequences of price competition). The common structure of the industry in these countries clearly fosters similar cost-cutting strategies for contract cleaning companies, though the precise unfolding of the strategies seems to depend on the composition of the workforce and the scope of protective labour regulation.

However, the power of the push towards lower standards and intensification seems particularly strong in Australia. According to Ryan and Herod, the '[d]ismantling of the award system and the growth of individualized contracts have meant that labour cost-cutting practices adopted by a number of firms are spreading widely and quickly ... ' (2006: 494). The union has identified clear cases of the deterioration of wages and conditions, such as in schools in Victoria from 1992 to 2004 (Walsh 2004). Some of our interviewees agreed:
Over the period I’ve been involved, I’ve seen price competition become worse and worse and worse, where we now have subcontracting, and that’s in order to force prices down further, and the poor bugger who’s doing the job is forced to wear the costs. (Employer Representative 2)

Nevertheless, these negative developments are not the whole story. Advances have been made in improving conditions for school cleaners in Victoria, through lobbying the state Labor government and introducing innovative forms of soft regulation through procurement (Howe and Landau 2007). Success in this campaign has been succeeded by other campaigns, in which the union and employers have pursued agreement on a general Code of Conduct. It seems clear that an effective floor of protective regulation is crucial for maintaining an adequate job quality. It may be that the fall of the federal Coalition government in the 2007 election signals the end of the effort to withdraw formal protective regulation, thereby allowing more room for improvements in wages and conditions for contract cleaners.

CONCLUSION

Contract cleaners face problems of low pay. This is partly to do with low hourly rates, especially associated with avoidance of standard award rates, but it also is interrelated with short hours and high workloads. Common features that cause complaints include very short hours in individual jobs (often experienced as underemployment and often driving multiple job holding), fractured schedules (short two hour shifts), and the irregularity of hours and schedules. In addition, there seems to be constant change – or constant pressure for change – on these working-time conditions, based on powerful imperatives of work intensification and lowered standards. In this paper, we trace these forces back to factors such as the structure of the industry, the practices of property owners, property tenants and cleaning companies, and a combination of the deficiencies of current systems of both labour regulation and social security.

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