Low Pay, Compressed Schedules and High Work Intensity: A Study of Contract Cleaners in Australia

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Abstract
Contract cleaners are a significant group of low-paid workers in Australia. This paper examines their pay and working conditions, drawing on ABS data, documents and other secondary literature, as well as a program of interviews with cleaners and cleaning managers. We argue that low pay for this group of workers is linked not only to low hourly rates but also to short and irregular hours of paid work. This draws attention to the fact that contract cleaners face problems that extend beyond pay rates to other aspects of job quality such as work schedules and workloads. The dominant profile for cleaning work is one of low pay, compressed schedules and high work intensity. We suggest that this unfortunate mix of job characteristics is anchored in the structure of the industry and the practices of property owners, property tenants and cleaning companies. Particularly important are the imperatives of labour cost-cutting, which push contract cleaning companies to intensify work and to avoid minimum labour standards.

1. Introduction
Contract cleaners, understood here as cleaners who work as employees for contract cleaning companies, are a significant group of low-paid workers in Australia. This paper examines their pay and working conditions. We argue that low pay for such workers is linked not only to low hourly rates but also to short and irregular hours of paid work. This draws attention to the fact that the problems faced by contract cleaners are not confined to pay but readily extend to other aspects of job quality such as work schedules and workloads.

This paper describes the main dimensions of cleaning work, drawing attention to the prevalence of modest pay rates, compressed work schedules and high work intensity. It then seeks to explain how these features arise and persist. We use data

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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 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, including 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 material can be supplemented by employer statements (e.g., Norris Cleaning Company, 2007). There are a few personal accounts (e.g., 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 Australian 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 health 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, pp. 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 concerning their experiences of low pay.

Our primary purpose in the paper is to develop a thick description of the work of one low-paid occupational group. Within this framework our central research question concerns the appropriate definition of low pay for contract cleaners. Does ‘low pay’ simply arise from low hourly rates of remuneration or is it also associated with short and irregular hours, thereby producing – in combination with low hourly rates – low pay for cleaners over the longer period of a week or a year? 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 rates, work schedules, and workloads and work intensity. We suggest that low pay for cleaners is an issue not only of modest hourly rates but also of the dominant working-time patterns, characterised by compressed work schedules and high work intensity. In the third section we seek to explain the prevalence of modest pay rates, compressed work schedules and high work intensity by examining employer practices. We argue that employers tend to respond to the imperative to cut labour costs by intensifying work or by lowering award standards. These practices are embedded in the structure of the industry and the patterns of fierce price competition between contract cleaning firms, but they are also facilitated by the vulnerability of the cleaning workforce and the holes in protective regulation.
2. 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 usually 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 drawn from a labour-hire firm, to carry out the contract at the site of the client. In other cases, however, the successful tenderer in turn subcontracts, passing on the contract to another firm or several firms or even to individuals, generally 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) is defined as ‘businesses mainly engaged in providing window, building (interior), office, domestic or similar general cleaning services’, and it 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 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, pp. 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, p. 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, p. 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 launch of new 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, p. 127).1

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1 Large contract cleaning companies are sometimes 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 description can be applied to almost all cleaning companies, whose main asset is their ability to mobilise energetic and willing workers and to retain the goodwill of their clients.
The industry is rightly regarded as highly competitive, but firms can be collaborators as well as competitors, linked together in a chain of subcontracting. In addition, inter-firm relations can be complicated by franchising (Ryan and Herod, 2006, pp. 492-493). Profit margins on contracts are often very low, as little as one to five per cent of the contract price. However, given the low levels of fixed capital required for continued existence and the fact that firms may collect and manage numerous contracts, annual rates of profit on capital deployed can still be substantial (Brosnan and Wilkinson, 1989, pp. 84-85; cf ABS 2000).

Contract cleaning is an industry that is easy for workers as well as firms to enter. Job vacancies recur as a result of the constant turnover of contracts, firms and workers. At the same time, recruitment is generally by word-of-mouth, through informal networks, and it is rarely impeded by high qualification and skill requirements. Cleaning is compatible with different work schedules. Workers entering the industry may be 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, pp. 30-31). Indeed some cleaning firms are organised on an ethnic basis, recruiting in just one or a few communities (Ryan and Herod, 2006, p. 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. Moreover, the short hours of specific jobs, 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. As a result, workers seeking a living wage must compete with many workers who are content with supplementary income.

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. The data 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 (22.8 per cent) 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.

<table>
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<tr>
<td>Male</td>
<td>11905</td>
<td>21282</td>
<td>12029</td>
<td>45217</td>
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<tr>
<td>Female</td>
<td>8778</td>
<td>23969</td>
<td>12710</td>
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<td>Persons</td>
<td>20683</td>
<td>45251</td>
<td>24739</td>
<td>90673</td>
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*Source: ABS Cleaning Services Industry, Australia 1998-99, Cat. No. 8672.0*

Table 1 indicates that the cleaning services industry was made up of almost equal numbers of male and female employees. Men were slightly more likely to be full-time permanent, but the gender composition of each type of employment was
surprisingly similar. Though data 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, p. 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 recorded 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 data for cleaning services cited earlier, women made up a strong majority (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

Some commentators suggest an increasing trend toward part-time work amongst cleaners (Ryan and Herod, 2006, p. 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 (ASCO2 91), 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, p. 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).

3. The Work of Contract Cleaners

To throw light on the working conditions of contract cleaners, including crucial dimensions such as pay, work schedules (i.e., the number and timing of working hours) and work intensity, it is necessary to dig deeper, using statistics, documents, existing case-studies and the evidence from interviews. Our interviews with low-paid contract cleaners cover a diverse range of circumstances. The respondents comprised ten men and seventeen 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 an 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. The interviews are not representative, but they are important for providing insights into the lived experience of contract cleaning work.

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 previous federal government’s WorkChoices legislation.

Pay rates can be investigated by using information from Victoria, where most of our interviewees were located. When state awards were abolished in Victoria some workers were left under inferior statutory minimum conditions, but in other cases the relevant unions were able to transfer workers to a federal award (Walsh, 2004). The crucial instrument for most cleaners in Victoria is a federal award, *The Building Services (Victoria) Award 2003*, which specifies minimum wages and conditions (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 in a 38-hour week. 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 paid and unpaid 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).

Standard award pay rates in Victoria, as in most other states, are by no means extravagant but they are not markedly low (LHMU, 2006, p. 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 sit above the boundary for the definition of low pay, which is most commonly understood as two thirds of median earnings (e.g., OECD, 2006, pp. 174-175) and was estimated at $14.03 per hour in 2004 (Masterman-Smith, Pocock and May, 2006, p. 371).

Of course, it is still possible for employees to suffer low hourly rates if employers are able to bypass or lower the award standards through practices such as shifting the worker to another regulatory regime or instrument (e.g., an individual contract) that allows lower payments, introducing ‘distancing strategies’ (labour-hire firms or individual independent contractors), using special categories of workers such as trainees, or imposing underpayments (e.g., informal cash-in-hand payments, nonpayment of penalty rates for night or weekend work, and imposition of unpaid training periods). Some of these employer practices are considered in more detail in the third section of the paper.

It is difficult to estimate the extent of practices designed to avoid standard pay rates. The interviews pointed to occasional cases of what could be called illegal practices:

(1)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. (Patricia) 4

(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. (Peter)

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, pp. 127-131).
4 All interviewees have been given pseudonyms.
The fullest account of practices designed to avoid standard pay rates is in a recent union-sponsored study that involved an audit of firms and workers involved in school cleaning in Victoria (Walsh, 2004, pp. 9-11). This 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 protective regulation the situation was becoming worse, as the pressure of competition around poor labour practices was forcing reputable contractors out of the industry (2004, pp. 6-7).

Recent wages data for part-time non-managerial adults suggest that the average part-time cleaner earned an hourly rate of $17.50 (unpublished ABS data available on request). Though modest, this was around the average for all occupations grouped together as ‘labourers and related workers’ (ABS, 2006). This suggests that a floor of modest 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.

Work Schedules

Modest hourly pay rates for cleaners go hand-in-hand with other features, 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, p. 8).

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

(W)here 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. (Nick)
It seems clear that low pay for contract cleaners is bound up with the short and irregular hours that are a predominant feature of work schedules. However, this feature is itself anchored in other aspects of the labour process. Nick’s comments allude to the distinctive framework of working-time arrangements in contract cleaning, in which hours are geared to specific contracts (‘jobs’). 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, attached to a particular site (a school or office block), and it comes with a pre-determined work 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 tight 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.

Nick usefully draws attention to the fact that the basic framework of working-time arrangements is unstable, with ‘jobs’ repeatedly at risk of changing or disappearing. This imbues cleaning work with a strong element of precariousness 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 an alternative source of income – a pension or benefit or a share of earnings from other members of the household. But for many cleaners looking for employment that provides a living wage the short hours and the instability that imposes downward pressure on hours are sources of dissatisfaction. Short hours are frequently experienced as a channel for insufficient earnings and underemployment, in the sense of an insufficient number of hours of paid work.

Workers can respond to underemployment by seeking a completely different post that would guarantee more hours and more earnings. 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 from Nick 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. Moreover, it is frowned on by employers worried about the implications for workers’ compensation in case of illness or injury. As one cleaner 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’. (Dawn)*
In summary, many contract cleaners experience short and unstable hours, linked to compressed work schedules and frequent downward pressure on the number of 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
Work schedules in cleaning are linked to 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. Thus the job comes with explicit workloads and norms of performance. These norms incorporate a dimension of quality but they are mainly to do with work effort, obliging 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. This in turn reduces the need for direct control of the worker and allows supervision to focus on monitoring quality rather than work effort.

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 [to] do what you’ve got to do, say [in] three hours; well you could be doing it in four and a half. (Lorraine)

(T)hey 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 kerfluffle 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… you can’t exactly do the job that you would like to do. (Sarah)

High workloads generally imply a high intensity of work, that is, high worker effort within the allotted number of hours. Scattered evidence suggests that cleaning in Australia is characterised by relatively high workloads and high work intensity. One study cites current cleaning rates of 850-950 sq. metres per hour or even 1000 sq. metres per hour, compared to average rates in unionised buildings in the US of only 350 sq. metres per hour (Ryan and Herod, 2006, p. 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 (polishing and buffing machinery, improved chemicals and cleaning agents, back-pack vacuum cleaner) (Ryan and Herod, 2006, p. 491). But current
techniques of contract cleaning are unlikely to differ much from one country to the next, suggesting that any current lead in cleaning rates in Australia is more likely to be due to an increased intensity of work than to an advantage in innovative techniques.

High cleaning rates in Australia can be seen as the result of a process in which the norms and expectations concerning the workloads have been slowly ratcheted upwards. In principle, such higher workloads could be met without higher work intensity if they were accompanied by innovations in technology or work organization. Alternatively, the individual worker could avoid increased work intensity either by allowing the work to spill over into unpaid hours or 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 supervisor (Ryan, 2001a, p. 128). However, in general higher workloads imply intensification, i.e., an increase in the intensity of work.

Several cleaners in the interviews mentioned increased workloads and gave examples from their experiences (see also Walsh, 2004, pp. 20-21). For example, one part-time casual cleaner (Gloria), 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. A part-time permanent cleaner (Lyn) 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’.

The NSW study of Weigall et al. (2006, pp. 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, pp. 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.

High work intensity contributes to the problems faced by contract cleaners. Apart from the implications for health and safety, high work intensity consolidates short hours and fractured schedules, since it is hard to sustain a high pace of work over long shifts. These in turn keep hours and therefore income low. With high work intensity in each job, workers find it hard to put together enough assignments or jobs to meet their needs and overcome underemployment.

4. Underlying Dynamics

In the previous section we identify problems of low pay, compressed schedules, underemployment, high workloads and high work intensity. 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’, is important as a framework. However, any explanation must also look closely at the practices of

5 According to Brosnan and Wilkinson (1989, p. 88), a familiar adage in the industry is that ‘you make money not from what you do but from what you don’t do’.

6 Though the result is often celebrated as a high level of productivity, this is inaccurate when the higher output has only been achieved by means of higher labour inputs.
contract cleaning employers, since 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 themselves embedded in the nature of the industry. As one cleaner explained:

(T)his industry is really 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. (Kathleen)

This was echoed by an employer representative, who underlined the importance of competition amongst cleaning firms:

(T)here 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. (Donald)

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, p. 125; see Ryan and Herod, 2006, p. 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 property owners/ managers use price as the decisive criterion when awarding contracts. This close attention to price has been criticised as greedy, given a context where property service costs are relatively small and property owners are enjoying record profits (LHMU, 2006, p. 12). Some conclude that property owners/ managers are therefore 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, p. 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, p. 5), and then ‘just try to make it work somehow’ (Inclean Australasia, 2005, p. 20).

In order to survive, some contract cleaning companies try to sidestep the competitive pressures 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 only feasible for larger firms. Most contract cleaning firms have little room for manoeuvre and are obliged to submit to price competition. This implies cost-cutting, and because labour is the main component of cost, it implies cutting labour costs. As Brosnan and Wilkinson (1989, p. 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.

How does this imperative to cut labour costs take effect in Australia? Options available to employers 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 statute, 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 neoliberal 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. The result is a system of employee protection that is opaque, riddled with numerous gaps, and accompanied by several restrictions on the ability of trade unions to represent workers. 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 result, he argues, will be more churning of welfare claimants (extended to sole parents and the disabled recently) into the unprotected low end of the labour market. The interviews with cleaners indicate the hazards and difficulties many have with juggling low pay and social security, and the willingness of many to put up with poor pay and poor 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, pp.11-12).

The main options for contract cleaning companies confronted by the need to cut labour costs are, as Brosnan and Wilkinson suggest: a) intensification; and b) 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 protection). 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.

We mention the experience of intensification in the previous section. Several cleaners linked this back to employer practices of cost-cutting:

_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._

(Lyn)

Sometimes intensification is only short-term, for example when workers are expected to pick up extra work caused by the absence of a member of the team. But more often it is long-term and 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, p. 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._

_Lowering or bypassing existing award standards is less transparent and more complex. It can be achieved through a variety of means, legal or illegal. Such practices have been possible for decades in Australia, taking advantage of the many gaps that puncture the system of employee protection. However, the prevalence of these practices seems to be increasing, spreading out from the small firms that have been traditionally been the main site of avoidance of labour standards through mechanisms such as underpayments to a larger sweep of firms and adding on more mainstream, legal ways of circumventing regulatory requirements. We can distinguish three main ways of lowering standards._

First is circumventing award standards through shifting workers from awards to alternative industrial instruments that permit lowered wages and conditions. The most common vehicle over recent years has been registered individual contracts. Starting in Western Australia in the 1990s, neoliberal governments opened up a new stream of registered individual contracts that allowed employers to undercut award standards. After an initial pause, contract cleaning companies in Western Australia began to use the new Work Place Agreements (WPAs) 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, pp. 127-129; LHMU, 2006, p. 18). The federal system has incorporated similar opportunities for registered individual contracts (Australian Workplace Agreements or AWAs) since 1996, when the Coalition came into government, but most cleaners were insulated from the risks because they were covered by state awards and could not readily be taken off these awards. Although the 2005 WorkChoices legislation extended the reach of the federal system, potentially displacing many state awards, the cleaning employers proved hesitant to take up the enhanced opportunities to use AWAs. The subsequent election of a federal Labor government in November 2007 has closed off, at least in the medium term, the opportunity to use registered individual contracts to lower standards, though the ability to use alternative instruments such as non-union collective agreements is likely to persist as a feature of the federal system.

Second is circumventing award standards through ‘distancing’, in particular through the use of ‘independent contractors’ rather than direct employees. 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, pp. 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 either directly or through a labour-hire company. The ability of labour-hire firms to supply construction workers in the form of ‘independent contractors’ rather than just 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 into many other industries, including contract cleaning.

Subsequent efforts to control the abuse of ‘independent contractors’ included the insertion of restrictive provisions in collective agreements and the introduction of legislation in some states to ‘deem’ workers as employees for certain purposes. But

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7 An employer representative explained this hesitancy in a 2007 interview 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.* (Donald)

The employer organization representing small and medium firms, the Australian Cleaning Contractors Association (ACCA), did promote a model uniform AWA that reduced penalty payments. However, in the wake of the introduction of the ‘Fairness Test’ in May 2007, many of these AWAs were rejected by the Workplace Authority. The ACCA responded with a fierce criticism of the Coalition government and a claim that ACCA was considering a return to greater use of awards and enterprise agreements (Coorey, 2007).

8 One example of its use in contract cleaning appears in the case of Damevski v Guidice, 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 argue 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; Creighton and Stewart, 2005, pp. 282-283).
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 new federal Labor government is still unclear.

Third is the more time-hallowed approach to avoiding labour standards, which resorts to illegal means such as underpayments. Non-compliance can affect any system of labour standards, and enforcement is always a particular challenge in a turbulent industry such as contract cleaning, which contains many small, often short-lived, firms and a scattered workforce, working in a largely invisible manner at nonsocial times. But the scope of the problem seems to be widening, with 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. Enforcement has traditionally been neglected by governments (Goodwin, 2003) and left to trade unions, and union action has become less effective as the scope of union influence has shrunk.

Subcontracting is often mentioned as an indirect mechanism for bypassing award standards. 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 clearly becomes a vehicle for illegal practices.

By resorting to intensification and the avoidance of award standards, contract cleaning firms achieve a competitive edge through poor labour practices. They transfer much of the burden of competition to the workers themselves. Both paths are bad for cleaners, importing further precariousness and lowering job quality. Intensification is the traditional path, but it faces limits, and it seems to be increasingly joined with 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 similar issues. A case study of contract cleaning at Canary Wharf in London argues that ‘low wages are the key to profit’ (Pai, 2004, p. 164). Though most workers were affected by employer efforts to avoid labour standards, the author suggests that the most vulnerable workers were those without the right papers (undocumented workers). A Canadian study (Aguiar, 2001, pp. 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 strategies for contract cleaning companies, though the precise unfolding

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9The conditions in the industry can be seen to offer a favourable environment for illegal practices such as cash-in-hand payments. This can be useful not only to employers, who are able to lower their labour costs, but also to some employees who by picking up this work may be in breach of visa conditions, such as visa over-stayers and foreign students, or in breach of the conditions of the receipt of social security benefits.
of the strategies seems to depend on the composition of the workforce, the scope of protective labour regulation and the effectiveness of trade union action. The power of the push towards intensification and lower standards seems particularly strong in Australia. Are things getting worse? 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, p. 494). The union has identified clear cases of deterioration of wages and conditions, such as in schools in Victoria from 1992 to 2004 (Walsh, 2004). Some of our interviewees agreed. One employer representative stated:

Over the period I’ve been involved, I’ve seen price competition become worse and worse and worse, where we now have sub-contracting, 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. (Donald)

Nevertheless, these negative developments are not the whole story. Wages and conditions remain a contested terrain. 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). The LHMU has been active, and success in this campaign has been succeeded by other campaigns, in which the union seeks to work together with contract cleaning companies, developing a general Code of Conduct and targeting the pressure exercised by property owners and managers. Such campaigns are important, but it is clear that an effective floor of protective regulation is also crucial for maintaining the quality of jobs. The advent of a new federal Labor government may have a positive effect. The government is likely to plug some of the holes through which contract cleaning companies have been able to pursue lowered standards, including in particular the use of registered individual contracts such as AWAs (ALP, 2007). However, other gaps, such as the use of non-union collective agreements, will remain open, unions will continue to face restrictions in their ability to organise and represent workers, and the minimum standards provided through statute and awards will remain weak and ineffective. As a result, it seems likely that the wages and working conditions of cleaners will continue to be exposed to downward pressure.

5. Conclusion
Contract cleaners face problems of low pay. This is partly to do with modest hourly rates, but it is also related to the number of paid working hours that cleaners are able to patch together over the week or the year. Modest hourly pay rates and short and irregular working hours combine to produce low pay in the broad sense that corresponds most closely to the experience of individual workers, that is, as low weekly or annual earnings. The working hours dimension of low pay is often neglected in analyses and programs of action for low-paid workers. We suggest in the paper that this dimension is crucial and that it is part of a broader package of features of the contract cleaning labour process, identified in terms of compressed work schedules and high workloads.

Problems faced by contract cleaners include very short hours in individual jobs (often experienced as underemployment and often driving multiple job holding),
fractured schedules (short two hour shifts), high work intensity, and the irregularity of jobs and schedules. In addition, the underlying instability in cleaning jobs leads to constant pressure on wages and working conditions, often expressed in the form 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, the vulnerability of workers, and a combination of the deficiencies of current systems of both labour regulation and social security.

Cleaners are not alone in facing such problems. Low pay in Australia has attracted recent attention (see the other papers in this volume). Problems such as short hours and underemployment (Campbell, 2008) and work intensification (Watson et al., 2003, pp. 94ff) also appear widespread, especially in other parts of the service sector. There is a need to join up these discussions, which are too often kept separate. In this context, the experiences of cleaners can offer a useful window into a broader set of challenges for research and policy.

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