New Australian Labor Party leader—a valued enforcer for big business

Terry Cook
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Bill Shorten was installed as the new Labor Party leader last month with the unanimous backing of corporate Australia and its media mouthpieces.

As well as being regarded as a safe pair of pro-Washington hands on foreign policy—having served as a US embassy informant during the Rudd-Gillard governments—Shorten is expected to provide bipartisan support to the Liberal-National government's imposition of sweeping austerity cuts and economic restructuring measures aimed at lowering working class wages and living standards.

The Labor leader brings to the task more than a decade of experience as a leading apparatchik in the Australian Workers Union (AWU), one of the country's main trade unions, during which he cultivated intimate ties with big business, while enforcing mass layoffs, productivity speed ups and wage cutting drives.

Shorten embodies the transformation of the Labor Party and the unions under the 1983-1996 Hawke-Keating governments. Like their counterparts internationally, the Labor and union bureaucracies responded to the emergence of globalised capitalist production methods by abandoning any commitment to securing limited social reforms for the working class. They transformed themselves into ruthless enforcers of the corporate drive for "international competitiveness." Under the Hawke-Keating Labor governments, the unions suppressed all resistance in the working class to the "free market" offensive that saw unprecedented social inequality caused by a transfer of wealth to the top of society.

Shorten joined Labor's youth wing in 1985 while a law student at Melbourne's Monash University. Just a year later, the Hawke government and the Australian Council of Trade Unions (ACTU) smashed the Builders Labourers Federation as a warning against any opposition to the pro-business Accords negotiated between the government, unions and corporate groups. Shorten briefly worked as a lawyer, and also as a staffer for several Labor federal and state parliamentarians, before joining the AWU bureaucracy in 1994.

Shorten's mentor was ACTU secretary Bill Kelty, one of the architects of the Accords (see "After 16 years in the service of big business: Australian trade union leader resigns"). Kelty, according to an article in the *Monthly* last year, recommended that Shorten go into the AWU before attempting to enter parliament. "I said unions were a great organisation to learn, because you understand how business works," he explained.

As a protégé of right-wing Labor and union powerbrokers, Shorten's rise through the union ranks was rapid. In 1998, at the age of 31, he became the AWU's Victorian state secretary and its national secretary by 2001. While AWU chief, Shorten made time to graduate from the Melbourne Business School with an MBA. In a revealing exchange on talkback radio earlier this year, Shorten declared that he had experience in running a business, referring to the AWU.

From the very outset of his entry into the AWU, Shorten aimed to prove his worth to the corporate elite by suppressing strikes, enforcing job cuts and cutting real wages through new workplace agreements in key industries.

In 2001, for example, Shorten played a pivotal role in imposing a benchmark agreement at Qantas airlines, delivering an 18-month pay freeze and sweeping changes to workplace conditions, while facilitating ongoing job destruction. Shorten publicly praised Qantas executives for "being up front" with their demands that were aimed at making the airline "a low cost operation to combat international competition."

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Shorten played an important role in the steel industry, which was restructured during his time as AWU chief. Shorten not only acquiesced to corporate demands for lower wages and eroded conditions, he actively encouraged industry executives to attack steel workers.

Smorgon Steel chief Ray Horsburgh revealed that the AWU urged him not to concede to a campaign waged by electrical contractors to reduce their working week to 35 hours. “Bill Shorten actually encouraged us to fight against it because he didn’t want to see it happen,” Horsburgh explained. The chief executive said Shorten recognised “the imperatives to stay competitive” and revealed that he gave the company’s performance results to the AWU “so he [Shorten] could examine what was affordable.”

Horsburgh and Shorten became close friends, and the steel executive was among several corporate guests at Shorten’s first wedding, to stockbroker and resources industry executive Deborah Beale, the daughter of senior Liberal Party and business figure Julian Beale. Shorten was close to the cardboard manufacturing billionaire Richard Pratt, and in 2006 he borrowed Pratt’s corporate jet to fly to Beaconsfield, Tasmania, where a mine explosion killed one worker and trapped two others underground for two weeks. Shorten consciously used the rescue operation to build his public profile, and in 2007 he entered the federal parliament.

In government, Shorten sought to promote the interests of business in much the same way he had done so as union chief. He backed the Labor government’s Fair Work industrial legislation, which replaced the former Howard government’s hated WorkChoices laws while retaining and extending their most draconian provisions, prohibiting workers from taking industrial action.

In late 2011, Shorten was promoted into the cabinet as the industrial relations minister. In May 2012, he addressed an ACTU congress and hailed the union bureaucrats as partners in the drive to boost corporate profitability. After congratulating the delegates for “working towards the creation of value and profit,” Shorten added: “We must not let ourselves get fitted up—that somehow we are the class warriors. I don’t believe that the ‘us and them’ rhetoric is what describes the modern Australian workplace.”

Shorten utilised the government’s Fair Work laws to intervene in several key disputes to end industrial action and impose employer dictates against different sections of the working class.

In February 2012, for example, Shorten played a key role in shutting down a protracted industrial campaign waged by public hospital nurses in the state of Victoria. The nurses had closed hospital beds and staged rolling strikes, in defiance of Fair Work Australia tribunal and Federal Court bans, as part of their campaign against the state Liberal government, which was seeking to slash costs by cutting real wages and undermining nurse-patient staffing ratio provisions. Shorten worked with the Australian Nursing Federation (ANF) bureaucracy to negotiate an industrial agreement that resulted in a real wage cut for nurses, and the watering down of nurse-patient ratios.

Now Labor leader, Shorten has made clear that his priority is to secure the backing of key sections of big business, ahead of the next federal election. After the Labor government was routed in the 1996 election amid bitter working class anger over its 13-year pro-business record, the party attempted to rhetorically distance itself from aspects of the “free market” agenda of the Hawke-Keating governments. Now, however, Shorten has insisted that despite the Labor Party receiving its lowest vote in more than a century in the September 7 election, there will be no repudiation of the right-wing record of the Rudd-Gillard governments.

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