

Ex-Australian union boss Paul Howes handed top corporate post

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In a career progression that speaks volumes about the nature of trade unions, Paul Howes, who recently resigned as Australian Workers Union (AWU) national secretary, has been appointed to a senior position in KPMG, one of the world's biggest business restructuring and advisory firms.

As an AWU official for 12 years, and national secretary for six years, Howes worked hand in glove with the corporate elite to help destroy tens of thousands of workers' jobs, notably in the steel, smelting, mining and airline industries. Now that experience will be brought to bear to intensify the assault on working class lives and conditions.

According to KPMG, Howes, now 32 years old, will be director of its advisory department, consulting with clients in "three key areas—business transformation, transaction services and superannuation"—commencing this week.

KPMG Australia head of advisory John Somerville stated: "For business transformation, Paul presents our clients with unique insights on motivating workforces to drive productivity and ultimately, improve business performance."

Somerville also cited Howes' inside knowledge of the financial elite, after serving on the boards of giant superannuation funds, in his capacity as AWU secretary and Australian Council of Trade Unions (ACTU) vice president. "Paul will also provide insights to the rapidly growing and changing superannuation sector, drawing from his experience as a director and deputy chair of Australia's largest industry super fund," he said.

KPMG, headquartered in the Netherlands, advises companies and governments on restructuring, divesting assets and "cost reduction and optimisation"—that is privatisations, closures, downsizing and the intensification of the exploitation of labour power. Its

web site states that KPMG "has participated in many of Australia's largest and most complex government asset sales, privatisations and public-private partnerships (PPPs)."

Howes' "motivating" skills consist of his proven ability to contain, isolate and break up workers' opposition to the slashing of jobs and working conditions. Under Howes, the AWU enforced "orderly closures" of Norsk Hydro's Kurri Kurri aluminium plant north of Sydney, Rio Tinto's Gove alumina refinery in the Northern Territory and Rio Tinto's Point Henry smelter in Victoria, as well as the destruction of thousands of jobs at BlueScope steel plants at Port Kembla, south of Sydney, and Hastings, near Melbourne.

In the airline sector, the AWU assisted the elimination of hundreds of jobs at Qantas, including the closure of its heavy maintenance facilities at Melbourne's Tullamarine and Avalon airports.

The AWU also negotiated hundreds of enterprise work agreements to surrender longstanding working conditions, deliver workplace "flexibility" and drive up productivity. In one of his last deals, in February Howes announced an agreement with Rio Tinto to effectively impose a wage freeze at its Tasmanian Bell Bay smelter in return for AWU coverage of the previously non-unionised workforce.

This record exemplifies the decades-long transformation of the unions from organisations advocating limited concessions to workers, in order to contain the class struggle within the capitalist profit system, into agencies of big business and governments operating to rip up all the past gains of the working class.

In Australia, that process took a qualitative turn under the Hawke Labor government, headed by another ex-

union boss, Bob Hawke. From 1983, the Labor and ACTU leaders imposed a series of Accords under which the unions systematically suppressed workers' opposition to the driving down of wages and the breaking up of conditions and basic rights.

Before departing the AWU, Howes set out a broader agenda for even more closely integrating the unions into the corporate and government establishment. In a keynote address to the National Press Club in February, he condemned "unsustainable" growth in wages and called for a "National Compact" in which "unions, business and government create an industrial engagement pursuant to agreed national goals."

The "national goals" being demanded by big business include not just driving down wages, but stripping away overtime and penalty pay rates and gutting social spending to match the measures already inflicted on workers in Europe and the US since the 2008 global financial crisis.

According to Socialist Alternative, one of the pseudo-left groups that orbit around the trade union bureaucracy, and promote deadly illusions that the unions can be pressured into representing workers' interests, Howes is "the worst kind of traitor to the labour movement."

This is a conscious fraud. Far from being an aberration, Howes is treading a well-worn path, taken by a host of union bureaucrats, of using their records of faithful service to business as stepping stones into the financial elite and/or the political establishment.

Apart from Hawke, other notables include Martin Ferguson, an ex-ACTU president who became the last Labor government's resources minister and then chairman of the advisory board of the mining companies' umbrella body, the Australian Petroleum Production and Exploration Association. Another typical top ACTU official, assistant secretary Gary Weaven, heads IFM, which controls more than \$50 billion in superannuation funds, and is a director of VicUrban, Members Equity and Pacific Hydro.

The transition is not driven primarily by money. As a senior union official Howes was already among the top 10 percent of Australia's income recipients. He took home \$140,000 a year, as of 2012, in addition to receiving corporate directors' fees, including from superannuation funds. Howes recently married Qantas executive Olivia Wirth, who was known to have been

paid \$800,000 in 2011.

Howes' KPMG post is unlikely to be his last. Instead, it provides an ideal staging ground, with Labor routed at last year's election, for future political service. In the past, the corporate media has promoted Howes as a potential successor to Bill Shorten—his mentor and predecessor as AWU boss—as Labor Party leader.

Howes has the essential prerequisite for Australia's prime ministership—the support of Washington and intimate connections with the intrigues of US imperialism. In 2010, together with Shorten, Howes played a key part in the backroom Labor Party coup that removed Prime Minister Kevin Rudd and installed Julia Gillard.

Leaked US diplomatic cables published by WikiLeaks later revealed that Howes, Shorten and the other powerbrokers involved in Rudd's removal were "protected sources" of the US embassy in Canberra. According to one cable, Howes had earlier recommended Gillard in private discussions with US embassy officials.

Washington gave the green light for the removal of Rudd, who was seeking to ameliorate tensions between the US and China right at the point when Obama was ratcheting them up. That coup marked a sharp turning point in Australian politics, bringing Canberra directly into line with the Obama administration's preparations for war against China, which include the use of Australian bases to launch attacks on Chinese forces and facilities.

As a trusted political operative with connections in Washington, Howes is being groomed for bigger things.



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