

Australian union boosted membership lists by imposing low wages

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One of Australia's biggest trade unions imposed large wage cuts on casual cleaners—some of the country's lowest-paid workers—in return for a major employer secretly enrolling cleaners in the union and paying for their union dues. The workers “recruited” in this sham process did not even know they were union members.

In 2010, the Australian Workers Union (AWU) struck a national deal with Cleanevent, then a subsidiary of the Spotless group, that saved the company an estimated \$6 million in wages over three years. For that, Cleanevent paid \$75,000 in union dues, and handed over the names of employees to be placed on AWU membership lists.

The AWU-Cleanevent arrangement, details of which have been documented in a royal commission hearing over the past six days, is a damning exposure of the role of the trade unions.

Under the secret Memorandum of Understanding (MOU) between the company and the union, casual cleaners across the country were paid at little as \$16.64 an hour for working on any day of the week, and at any time of the day. They were stripped of penalty rates for weekend, public holiday and night-time shifts.

A “level 1” cleaner who worked after-hours or weekends, got \$18.14 an hour, but under the relevant industrial award they would have received \$50.17 an hour, or 176 percent more. A “level 3” cleaner working on Sundays was paid \$19.86 an hour, instead of \$41.44, or 121 percent more.

As well as extra funds, the falsely inflated union membership statistics gave the AWU bureaucracy bigger voting blocks in union congresses and the Labor Party. With the help of these votes, the AWU formed the power base for figures such as former AWU national secretary Bill Shorten, who is currently the federal Labor Party leader.

The MOU contained a “confidentiality” clause forbidding any public disclosure of the deal. It was signed

by the AWU national secretary at the time, Paul Howes, another key Labor Party powerbroker. Behind the backs of workers, it kept in place, for an extra three years, a 2006 national three-year “enterprise bargaining agreement” signed between Cleanevent Australia and the AWU, based on the flat wage rate regime. In 2006, Shorten himself headed the AWU. He remained both the national and Victorian state secretary of the union until 2007, when he was pre-selected for a parliamentary seat.

Unions have always accepted the framework of capitalism and have sought to prevent the struggles of workers from challenging bourgeois rule. In the past, however, the union bureaucracies carried out that function by pressuring employers, including by industrial action, to make limited concessions to improve wages and conditions.

Over the past three decades, the globalisation of production has shattered national economic regulation and transformed the role of the trade unions. Far from in any way seeking to improve the lot of workers, they act on behalf of employers as the means of driving down wages and conditions, in order to assist “their” capitalist class compete on world markets.

Under the MOU, the AWU leaders pledged to operate as an industrial police force, preventing any strikes or other industrial action. The AWU undertook not to “take industrial action” or commence any step to terminate the MOU.

This was an outgoing partnership. Clause 2.5 stated: “Cleanevent and the AWU agree to work together to successfully implement the terms outlined in this MOU and to negotiate a successor agreement prior to the completion of this MOU.”

An accompanying email, sent on September 15, 2010 by Cleanevent national HR manager Michael Robinson to Cesar Melham, then the AWU Victorian state secretary, stated: “Cleanevent look forward to continuing the many

years of positive association with the AWU.”

The Royal Commission into Union Governance and Corruption was established by the Abbott Liberal-National government as a means of further attacking the rights of workers in the face of an escalating corporate assault on jobs, wages and working conditions.

Its recommendations, such as strengthened “move on” police powers to break up picket lines, and \$10 million fines for solidarity industrial action (“secondary boycotts”), are intended to punish and intimidate workers, and further discipline the union bureaucracies or do away with unions altogether where employers no longer see any need for their policing role.

The royal commission is certainly not concerned with defending the rights of workers. Nevertheless, the documents tabled at its hearings are an undeniable, and extremely revealing of the role of the trade unions.

In statements to the royal commission, four Cleanevent workers said they were unaware that they became AWU members as a result of the MOU. One said she had worked as a casual cleaner at prominent Sydney venues and events, such as the Opera House, ANZ Stadium, Rosehill Racecourse, Sydney International Tennis and Mercedes Benz Fashion.

The cleaner testified to working long shifts, up to 17.5 hours (6.30 a.m. to midnight), and also for as many as six weeks straight, for events like the Sydney Royal Easter Show and Fashion Week. Asked to explain the term “permanent/casual day and night shifts,” she explained: “If it’s an event, you’ve always got cleaners 24/7.”

The Cleanevent worker gave a picture of the super-exploited conditions that she and her fellow workers endure. She tendered a letter she sent to the Cleanevent management about four years ago, complaining of having “witnessed and been personally subject to a high level of stress, intimidation.” She reported substandard hygiene and occupational health and safety conditions, working with “no equipment” and “no chemical procedures,” and being abused by managers.

In her written statement, the cleaner said she had contacted the AWU about the working conditions, but received no assistance. “As far as I am aware, the AWU only visits sites during Cleanevent induction sessions,” she stated.

Shorten and the AWU leadership have made no attempt to refute the evidence. Shorten has refused to comment, on the excuse of not giving “running commentary” on the royal commission, while AWU national secretary Scott McDine has dismissed it as a politically motivated “witch

hunt,” without denying any of the revelations.

Asked by the WSWs if the AWU could answer the evidence, or justify its role, AWU media officer Anil Lambert also refused to make any comment.

Under cross-examination in the royal commission, Melhem, who is now a Labor parliamentarian, accepted that many Cleanevent workers were disadvantaged by the MOU he helped negotiate, but claimed not to know this at the time. In two days of testimony, Melhem said “I don’t recall” 134 times when asked what he knew about the deal.

Melhem denied any wrongdoing, saying that it was common and “quite public knowledge” for companies to pay union memberships for their staff. That itself speaks volumes about the close, mutually beneficial relationship between the unions and employers. What was not “public knowledge,” however, was the extent to which the unions have cut the wages of their members, and scrapped their penalty rates.

The AWU-Cleanevent partnership is not an aberration. Evidence was also produced that the union did similar deals with other companies, such as BMD Constructions, Winslow Constructions and the Victorian Jockeys Association, and accepted a \$25,000 payment from engineering giant Downer EDI to end a picket line over sackings at Melbourne’s Essendon Airport in 2012. The picket had cost Downer about \$1 million a day in lost production.

Over the past three decades, the rate of union membership in Australia has fallen officially from 46 percent in 1986 to 17 percent in 2013. That precipitous decline, much of it because workers, disgusted by repeated union betrayals, have quit or not joined unions, is bound up entirely with the evolution of unions into virtual appendages of management. Now it appears that many of the remaining members may have been conscripted onto membership lists through backroom union-employer deals.



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