

Australian Labor leader defends “modern” union deals to boost corporate profits

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Amid continuing evidence that, as a trade union leader, he signed “enterprise agreements” that saved major companies millions of dollars, at the expense of workers’ basic rights and conditions, Labor Party leader Bill Shorten went on national television last Sunday to vehemently defend such deals as representing the essence of “modern” trade unionism.

“What I’ve done as a union leader and what literally thousands of other union representatives do, is make sure that we have co-operation in the workplace,” he told the Australian Broadcasting Corporation’s “Insiders” program. “What I also understand is that where employers are able to make a dollar, make a profit, be competitive, compete with the rest of the world, then they can keep employing employees.”

In effect, Shorten spelt out the role of the trade unions as industrial police forces over their members, slashing conditions and suppressing the resistance of their members in order to boost the profitability of Australian-based corporate operations.

Shorten was Victorian state secretary of the Australian Workers Union (AWU), one of the country’s largest trade unions, from 1998 to 2006 and the AWU’s national secretary from 2001 to 2007, before being rewarded for his services with a seat in parliament, and ultimately the Labor Party leadership.

Shorten’s interview followed revelations published in Fairfax Media outlets last week that under his leadership in 2005 the AWU struck a deal with Thiess John Holland, a construction conglomerate, for Melbourne’s \$2.5 billion EastLink tollway that saved the company up to \$100 million.

By allowing the project to effectively operate around the clock—reducing conditions relating to rostering and extreme weather—and preventing any strikes, the AWU also helped the company finish the project five months early.

The deal scrapped provisions that generations of construction workers fought for to protect themselves from backbreaking, unhealthy and unsafe conditions. It halved the number of mandatory rostered days offs, ended “lock down”

weekends, and forced union members to work in hot and wet weather.

Significantly, a rival union, the supposedly “militant” Construction, Forestry, Mining and Energy Union (CFMEU), joined the deal after initially feigning opposition to the agreement as “second rate” and a “shocker” when it came to rostered days off.

In return, Thiess John Holland paid the AWU more than \$200,000 in subsequent years, including a \$134,500 “donation” to the union’s Victorian branch in 2006-07. This was part of a wider pattern.

According to Fairfax Media, more than \$1 million of employer funds flowed into the AWU’s Victorian branch between January 2004 and late 2007, when Shorten was either state or federal secretary. Other payments included almost \$200,000 from cardboard manufacturer Visy industries, which was run by billionaire Richard Pratt, a personal friend of Shorten’s, almost \$100,000 from aluminium giant Alcoa, and \$300,000 from chemical giant Huntsman.

Huntsman paid for an AWU shop steward to be a “workplace change facilitator” while it closed all its plants at West Footscray in Melbourne. That arrangement epitomised the services that unions have provided for decades in ensuring “orderly closures” of one workplace after another, at the cost of hundreds of thousands of jobs, by preventing any struggles by workers to defend their jobs.

These relationships extended far beyond the AWU. According to documents cited by the *Australian*, 12 big construction companies collectively paid the New South Wales state branch of the CFMEU \$6.37 million between 2006 and 2013.

These damning revelations followed testimony at a royal commission instigated by the Abbott Liberal-National government showing that under Shorten’s leadership the AWU stripped casual cleaners across the country of penalty rates for weekend, public holiday and after-hours shifts. These deals saved Cleanevent, a large contractor, millions of dollars in return for the company secretly enrolling cleaners

in the union and paying for their union dues.

Other evidence revealed that the AWU signed agreements with construction companies, including Winslow Constructions, for them to pay union dues for their entire workforces, in return for “stability” on their projects.

In his interview, Shorten flatly defended the practice of companies paying the union dues of their employees, saying: “I’d rather someone be in the union than not in the union.” He cynically spelled out the value of such arrangements to employers. “What really matters in a workplace, what helps an employer if you’ve got a unionised workforce is if your shop stewards know the rules of the game,” he said.

Shorten insisted that “better informed” delegates saved companies money, adding: “We are good at teaching delegates how to resolve disputes.” That was why companies paid unions to train their delegates in workplace and health and safety rules. “This is not unusual in the construction industry,” he explained.

The “rules of the game” referred to the system of enterprise bargaining, first established by the Keating Labor government and the Australian Council of Trade Unions (ACTU) in 1992. It outlaws all industrial action, except during allotted “bargaining periods” and subordinates working conditions to the profit requirements of individual companies.

Shorten objected to attacks by Prime Minister Tony Abbott and other critics, who denounced Shorten for doing “sweetheart” deals with employers in order to produce “sham” membership lists to bolster his factional powerbase in the Labor Party. Abbott did not understand the role of enterprise bargaining, Shorten protested. “There’s an almost a reverse class war analysis going on because I’m a modern bloke, trying to get co-operation, not confrontation.”

Shorten’s television appearance, after days of refusing to confirm the AWU’s deals, came after business leaders and former union chiefs sprang to his defence. Most prominent was former Business Council of Australia president Tony Shepherd, who chaired Connect East, which subcontracted Thiess John Holland to build the Melbourne tollway.

Shepherd, who just last year headed the Abbott government’s welfare-slashing “audit commission,” told the *Australian Financial Review*: “Bill [Shorten] demonstrated that it could be done in Victoria ... It was a great deal for us, it was a great deal for the boys, the safety record was great, there were no disputes, everybody was happy.”

Two former ACTU heads, Bill Kelty and Martin Ferguson, both architects of enterprise bargaining, praised Shorten for spearheading the enforcement of that regime.

“He was brave and flexible when the country needed brave and flexible union officials to make big changes,” Kelty,

ACTU secretary from 1983 to 2000, told the *Weekend Australian*. “To be criticised for that flexibility and adaptability borders on the class warfare of the 1890s in reverse, which is ‘How dare you deal with the employer, how dare you embrace good employers.’ It’s the sort of thing you would expect of the loony Left.”

Ferguson, ACTU president from 1990 to 1996, and a senior Labor government minister from 2007 to 2013, told the same newspaper that the AWU’s deal with Thiess John Holland showed “what the Hawke and Keating governments achieved.” Ferguson hailed Shorten for combating militancy among construction workers, whom Ferguson accused of “thugery” and “industrial disruption.”

In line with this support, an *Australian* editorial yesterday condemned Fairfax editorials that called for Shorten to stand down as Labor leader. With breathtaking hypocrisy, Rupert Murdoch’s flagship, which has a long record of orchestrating leadership-change operations, declared: “We don’t believe it is the place of media organisations to dictate the leadership decisions of the Labor Party.”

In reality, both the Murdoch and Fairfax networks have seized on the Shorten revelations to demand the restructuring of the Labor Party to reduce the influence of union-backed powerbrokers like Shorten. Whatever the tactical differences between the different sections of the financial elite they represent, both media empires are pushing for Labor to be become an even more malleable instrument for capitalist rule.

However, the *Australian* editorial insisted that Shorten be given more time to respond to the allegations against him. “Shorten is right to argue that modern trade unionists have needed to work hand-in-glove with employers to promote enterprise agreements that secure not only pay and conditions but ongoing jobs and prosperity,” the editorial emphasised. It was a revealing tribute to the immense value of the trade union bureaucracy for the corporate establishment.



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