

What the Royal Commission into Australia's trade unions revealed

Part One: Workers need new organisations of struggle!

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2 June 2016

The World Socialist Web Site today begins publication of a five-part series on the report of the 21-month Royal Commission into the trade unions in Australia. See Part Two, Part Three, Part Four and Part Five.

On December 28, 2015, the 21-month Royal Commission into trade union corruption in Australia, announced in 2014 by the Liberal-National Coalition government of former Prime Minister Tony Abbott, handed down its final report. The several-thousand-page document was prepared by legal counsel to conservative Judge Dyson Heydon.

The commission's aims are reactionary and hypocritical. While denouncing trade union officials for "corruption" and "selling out their members," the Liberal-National Coalition government of Malcolm Turnbull, the media and industry groups have used the report to demand a sweeping transformation in Australian industrial relations, and an unprecedented attack on workers' conditions.

The Turnbull government has supported the report's recommendations with legislation in parliament. It includes boosting police powers and reinstating the Australian Building and Construction Commission (ABCC), a Howard-era industrial police force with expanded powers to interrogate and arrest workers, and levy huge fines against individuals and organisations involved in so-called illegal industrial action. The defeat of the ABCC legislation in the Senate by Labor and the Greens in April has become the trigger for the current "double dissolution" election.

That being said, the contents of the report itself show that the unions have absolutely nothing to do with defending workers' conditions. The Commission report's case studies—based on hundreds of pages of submissions and testimonials during 155 days of public hearings—reveal the unions' real day-to-day activities as labour management businesses, hostile to the interests of the workers they falsely claim to represent.

Not a *single incident* discussed in the report refers to an action by any union official to *defend* workers' conditions. Instead, union bureaucrats and corporate managers conspire daily to tear them up. To the extent that conflicts emerge between the unions and corporations, they centre on which business entity will obtain a greater share of the profits extracted from the workers' labour.

The Labor Party is seeking to win this election by presenting its leader and former union official Bill Shorten as a defender of the

working class, who is determined to pour billions into healthcare, education and social infrastructure. What a miserable fraud! Labor is the political representative of the financial elite no less than the Coalition. Whoever wins the election, the next government will impose the full burden of the global breakdown of capitalism onto the working class, through austerity measures and cuts to working conditions.

The differences between the major parties centre on how to best implement this agenda.

Labor represents a wing of the financial elite that wants to continue using the services of the trade unions, while the Coalition articulates the views of a section of the ruling class that insists on dispensing with them. This layer insists that the system of compulsory industrial arbitration, which, for more than a century has enshrined the unions as the legal guardians of workers' conditions, and been used to suppress any struggle by workers against the capitalist profit system, is now an obstacle to implementing the scale and speed of the attacks required by the financial and corporate elites.

In the fight to defend their jobs and conditions, workers confront the trade unions and the Labor Party as bitter enemies.

The cases in the report span virtually every trade union in the country: the Australian Workers Union (AWU), the National Union of Workers (NUW), the Construction, Forestry, Mining and Energy Union (CFMEU), the Transport Workers Union (TWU), the Electrical Trade Union (ETU), and the Maritime Union of Australia (MUA).

Labor leader Bill Shorten, who personifies the transformation of the trade unions and the Labor Party over the past three decades into the open representatives of big business, was the national and Victorian state secretary of the AWU in the period covering most of the cases, and personally oversaw the most egregious back-room deals to slash workers' conditions.

What this series will reveal is that the unions' financial tentacles have spread into every aspect of workers' lives. Not content to charge workers dues of hundreds of dollars a year in exchange for selling them out, the union bureaucracies have devised an extraordinary number of schemes for directly robbing them.

The cases documented in the series include how the unions funnel workers' compensation money—which covers employees if they are made redundant, sick, injured or if they die—into

enormous financial investment vehicles, run by the unions themselves, and make tens of millions in profits out of them every year. Not only that, but the unions have a direct stake in rejecting workers' compensation claims. These payouts are often the final stop between workers and their families and utter destitution. But how many workers know that the unions control and profit from them in their role as speculators and insurance brokerage firms?

Companies pay the "membership fees" of their own employees to "join" the union. Often, the "members" are just names on paper and the workers have no idea that they have "joined." In exchange, union bureaucrats impose cuts to jobs, wages and conditions.

The unions have established "training" and "health and safety" companies, either independently or jointly with business groups. In exchange for their role as an industrial police force for the companies, the unions obtain a monopoly for these companies in the workplaces. At the same time, employers donate to these companies to pay off the union.

Union bureaucrats organise "fundraiser" events for the union itself, and charge thousands of dollars a ticket. They invite the heads of the very businesses whose workers the unions supposedly represent, and get the chance to rub shoulders with their CEO partners over fine wine, meals and entertainment.

Union officials have created bogus "charities," into which workers "donate" part of their income. To get every possible cent they can, the unions have even bought the vending machines used by workers for snacks and drinks on the job.

These activities are not simply the outcome of individual corruption, though that is in considerable supply. They represent the culmination of the trade unions' transformation internationally over the last 30 years as part of a global process. Throughout Europe, in the United States, in Asia, and elsewhere, the unions play the same role.

While the unions have always supported capitalism and wage-labour exploitation, and actively suppressed any struggle against it, in earlier times they defended their privileged position by seeking to obtain, within definite limits, improved wages and conditions for their members within the confines of the national state.

The globalisation of production over the last three decades, however, has shattered any objective basis for national economic regulation. While the corporations scour the globe in search of the cheapest labour, the unions' nationalist and pro-capitalist program has transformed them into organisations that seek to slash the conditions of Australian workers in order to boost the "international competitiveness," and thus the profits, of Australian capitalism.

In the two decades covered by the report, the Australian working class has suffered a catastrophic regression in its living standards. To cite just one figure: from 1995 to 2015, according to a report released by the World Bank on January 1, 2016, total labour income as a percentage of GDP dropped from 66 percent to 54 percent. That is, the percentage of GDP going to labour dropped by 12 percent in just 20 years—an enormous and historic collapse, and a larger fall than took place in the United States, Canada or Turkey during the same period.

Contained in this figure is the fact that over the past 30 years, a class war has been waged—but only one side has been fighting.

Hundreds of thousands of jobs have been destroyed and wages slashed. Insecure, casual labour now makes up to 40 percent of jobs, one of the highest rates in the world. **S**trike activity has been lower than at any time on record, not because of a lack of workers' willingness to fight, but because the trade unions have strangled, isolated and betrayed every struggle they have waged. Between 1992 and 2015, union membership collapsed from 40 percent of workers to 15 percent. Yet, since 1975, the number of officials staffing these giant apparatuses has doubled to 4,000.

Now, there are growing signs of a resurgence of class struggle internationally. From the anti-austerity struggles in Greece, to the fight waged in 2015 by autoworkers in the United States, to the struggles and mass protests against the new and brutal labour law in France, workers are beginning to fight back. For too long, they have been told to "sacrifice" for the "nation" and the profits of the rich, and they can sacrifice no more!

But in order to fight, new organisations of struggle are needed. The Socialist Equality Party is standing in the 2016 federal election to represent the independent interests of the working class. We are fighting to build an international, socialist movement of the working class against the growing danger of war, austerity, and attacks on democratic rights produced by the global breakdown of capitalism. We say: workers need new organisations of struggle! They must be politically guided by an internationalist and socialist perspective, and hostile to the nationalist chauvinism and pro-capitalism of the corporate stooges in the unions.

In exposing the material contained in the Royal Commission report to an international audience, this series will demonstrate the reactionary nature of the trade unions, and the necessity for workers in every country to develop new forms of organisation, for the struggles directly ahead.

To be continued

To contact the SEP and get involved, visit our website or Facebook page.

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