

Australian unions impose sweeping job and pay cuts via “interest-based bargaining”

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Over the past six years, with virtually no publicity, some of Australia’s most prominent trade unions have pioneered a “new cooperative approach” to workplace bargaining to inflict mass retrenchments, wage reductions and the overturning of hard-won conditions on their members.

Supervised by the Fair Work Commission (FWC), established by the last Labor government of Kevin Rudd and Julia Gillard, the “interest-based bargaining” (IBB) system takes to a new level many decades of union collaboration with employers and governments.

The IBB regime has already been used to implement wholesale restructuring, casualisation and the demolition of basic conditions at major workplaces, including Sydney Water, News Corp, Orora Fibre Packaging, Alcoa and Patrick stevedoring.

In the forefront are prominent unions, such as the Australian Services Union (ASU), the Australian Manufacturing Workers Union (AMWU), the Maritime Union of Australia (MUA) and the National Tertiary Education Union (NTEU).

Ever since the Keating Labor government and the unions imposed enterprise-by-enterprise bargaining during the early 1990s, unions have used enterprise bargaining agreements (EBAs) to split the working class into individual workplaces, suppress most industrial action and subordinate workers to the profit demands of “their” employers.

This corporatist partnership was forged between the unions, governments and the corporate elite through the “Accords” struck by the Australian Council of Trade Unions (ACTU) with the Hawke Labor government in the 1980s, in order to make Australian capitalism “internationally competitive.”

IBB goes further by junking the previous “position-based bargaining” approach, in which some unions still went through the motions of presenting employers with

logs of claims, supposedly based on a mandate from their members, before entering closed-door talks with corporate executives behind workers’ backs.

IBB casts aside even the notion of employers and unions starting from different “positions.” Instead, it is based, from the outset of a bargaining period, on delivering “collaborative transformations” by “exploring the common interests” with management and devising means of satisfying those interests at workers’ expense.

What this means in practice can be seen from three IBB case studies on the Fair Work Commission’s website. The first was at Sydney Water, a semi-privatised New South Wales state government utility. The ASU worked with senior executives to push through a 2012 EBA that delivered a near-20 percent cut in costs to satisfy the demands of the state government.

The EBA, which allowed Sydney Water to outsource maintenance, also “amended redundancy and re-deployment provisions” and “rosters and shift changes.” A joint ASU-management “road show” travelled to depots to persuade union members to accept the agreed changes, but encountered “difficult discussions” and “hot meetings, with hot conversations.”

That hostility reflected the fact that “many employees in Civil Delivery saw significant declines in take-home pay because of new shift arrangements.”

Beating down this opposition was just the beginning of a “new cooperative relationship between the enterprise and the union,” formalised by a memorandum of understanding signed by the managing director and the ASU state secretary.

New consultative mechanisms were established at different levels throughout Sydney Water. “At the top,” the managing director “agreed to attend two meetings each year of the ASU’s Committee of Management, while the ASU secretary attended two meetings each year of Sydney Water’s Executive.” More “informally,” the

two leaders “established a relationship that allowed them to contact each other whenever issues arose.”

In other words, from the top down, the union works with management to report on and silence opposition by workers. One union official noted: “Of course, they still have a blue every day, but we’ve really changed the culture of the workplace.”

Union and company officials alike heaped praise on the “facilitator” of this partnership, Fair Work Commission (FWC) deputy president Anna Booth, a former national secretary of the Textile, Clothing and Footwear Union of Australia and ACTU vice president.

At Orora packaging, which was “demerged” from Amcor in 2013, there was similar acclaim for Booth and another FWC commissioner, ex-AMWU national president Julius Roe. With their facilitation, the printing division of the AMWU partnered with Orora to shut down a plant at Somerton, near Melbourne, carry out three rounds of redundancies and impose other “negative effects on the workforce, notably a reduction in take-home pay for many workers.”

This process was enforced from the top. It began with a February 2013 “off the record” discussion at the FWC. Participants included the AMWU national secretary and the CEO of Amcor Australasia. On the shopfloor, union delegates acted as “troubleshooters as required” for an AMWU-management Steering Group.

Even greater job losses—up to 70 percent of the workforce—were inflicted by the AMWU and Electrical Trades Union (ETU) at Rupert Murdoch’s News Corp Melbourne Print Centre (MPC), during 2015 and 2016.

After a “training session” at the FWC, attended by union officials and delegates, and a host of senior News Corp managers, the “collaborative change” also featured “changes to shift and roster arrangements,” “multi-skilling,” greater “use of casual staff” and reduced payment of wage penalty rates.

A union official acknowledged that the process was difficult because it required many redundancies, both forced and “voluntary,” so “there was conflict there ... very emotional.”

The “MPC Collaboration Team”—a three-level hierarchy of joint management-union committees—was headed by a Senior Steering Committee consisting of the AMWU Printing Division national secretary and News Corp’s national director of production.

Murdoch’s managers were so impressed with the outcomes that the partnership is being extended. According to the FWC case study: “Beyond the MPC, the

next step is to continue the collaboration to other print sites around Australia.”

Among the FWC’s other “success stories” are three involving the MUA, which has been falsely depicted by the media and various pseudo-left groups as a “militant” union. They relate to two rig crewing companies, Go Offshore and MMA Offshore, and Patrick, a national stevedoring business.

Patrick led a major attack on dockworkers in 1998, then worked with the MUA to halve its workforce. It joined the FWC’s “New Approaches” program with the MUA in 2015. Since then, “the parties have been able to focus on shared interests in the success of the ports and have saved millions of dollars.”

At Sydney’s Macquarie University, the NTEU, which postures as a “progressive” union, is collaborating intensively with management through IBB to try to push through an EBA that will mean a real wage cut and academics being coerced into having 80 percent of their workloads allocated to teaching.

According to the FWC’s latest annual report, its “New Approaches: Cooperative and productive workplaces” program was in operation at 24 workplaces as at June 30, 2017, up from 17 a year earlier.

The IBB process is a new stage in the decades-long transformation of the unions into corporatist entities. They have been totally integrated into management, functioning as nothing but instruments for imposing the agenda of the corporate elite on their members.

This also exposes the reality behind the ACTU’s current “Change the Rules” advertising blitz. Conscious of the hostility that has built up in the working class against the corporate assault that the unions have policed for decades, the ACTU is trying to divert the discontent into a campaign for the return of yet another pro-business Labor government. At the same time, the unions are using IBB and the other Fair Work “rules” to accelerate the dismantling of workers’ jobs and conditions.



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