

# Australian unions enforce low pay for pathology workers

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Over twelve months ago, the Health Services Union (HSU) and the Victorian state Labor government ended industrial action by workers at Dorevitch Pathology, pushing a long running dispute for a new work agreement covering 1,800 employees into forced arbitration by the Fair Work Commission (FWC), the federal industrial tribunal.

Earlier this month, the FWC reportedly awarded pay increases for the Dorevitch workers ranging from approximately 4 percent to 20 percent. Dorevitch, which has facilities across the state's regional centres and in Melbourne, is a subsidiary of Australia's second largest pathology provider Primary Health Care.

HSU state secretary Diana Asmar immediately heralded the FWC ruling as "a big win for all Dorevitch employees." Last year, the union likewise welcomed the FWC's ruling ending all industrial action on application from the state government, on the grounds that it threatened community welfare, as "good news for Dorevitch Members."

An examination of the determination demonstrates it is far from the "big win" proclaimed by Asmar. It continues the low wage regime long endured by the pathology workers, who work long hours in difficult and at times dangerous conditions.

The pay increases mandated by the FWC will be backdated to July last year, even though the workers have not received a pay increase since the last agreement expired in 2007. In other words, the company, with the assistance of the HSU, has effectively imposed a ten-year pay freeze.

The last agreement, in 2004, provided for annual wage rises as low as 1.5 percent per annum, resulting in pay rates of just \$20 and \$22 an hour. This was 17 percent below the industrial standard. Even if the 20 percent rise granted by the FWC was to apply across

the entire workforce, and of course it will not, hourly pay would increase, at best, by just over \$4, to \$26 an hour.

In bringing down its determination, the FWC made clear it would perpetuate the Dorevitch low wage regime declaring, "the total increase will remain significantly below the rate of increase in the National Minimum Wage (40.5 percent) and average wages growth (38.8 percent that have occurred since the expiry date of the last agreement.)"

In a statement last week, Primary Health Care said the FWC determination would cost it about \$10 million per annum extra in wages. The company stated, however, that the impact would be fully offset, undoubtedly through cost-cutting measures such as redundancies and intensifying workloads.

In a telling statement following the FWC decision, Asmar described the Dorevitch workers as an "isolated and fearful workforce... that had their real wages cut for over a decade." She added: "It took court applications, strikes, government intervention, weeks of forced mediation, and years of struggle to get this outcome."

In reality, the pathology workers demonstrated they were determined to fight for pay and conditions including by launching an indefinite strike in August 2007, which was called off by the union in compliance with the order issued by the FWC.

The fact that the Dorevitch workers were "isolated" was the direct result of deliberate action by the union. From the outset, the HSU worked to contain the dispute and to prevent the emergence of a unified struggle by health workers across the country who face similar attacks.

The HSU was fearful that such a mobilisation would cut across the close working relations it has with the private health providers and undermine its position as

an industrial police force of governments and the corporations, from which the privileges of its officialdom are derived.

The suppression of any struggle by pathology workers, by the HSU, has facilitated the privatisation of the sector, and ensured that companies make enormous profits, while workers endure poverty-level wages.

From 2016–17, Dorevitch, with contracts across 32 Victorian public health facilities, including hospitals and prisons, recorded a \$92 million profit. Primary Health Care posted an estimated \$1.2 billion in profits since the last pay deal covering Dorevitch Pathology workers was signed in 2004.

Primary Health Care, like other private providers, has been the beneficiary of substantial public contracts, as successive governments, Liberal and Labor, have outsourced pathology and other health services.

Primary Health Care now provides 32.7 percent of pathology services funded under the government Medicare Benefits Schedule. Its major competitor, Sonic Healthcare provides 41.4 percent. In sharp contrast, public pathology providers now account for just 11 percent.

The record makes clear that contrary to the claims of the HSU, the government and the FWC did not intervene into the Dorevitch dispute in the interests of the workers.

The FWC is not an independent “umpire” as is claimed by the unions. Established in 2009 by the previous federal Labor government, with the support of the major unions, it is an instrument to enforce the dictates of the corporate elite to slash wages, ban strikes and drive down costs for big business.

The FWC oversees the draconian anti-strike provisions in the Fair Work Act that outlaws all industrial action other than during the narrow bargaining period for a new enterprise work agreement. To take “protected action,” workers must go through a lengthy process and even then must receive permission from the FWC.

The legislation contains wide-ranging pretexts for the FWC to shut down even “protected” industrial action, including when it would “cause economic harm to the employer,” “significant harm to a third party,” endanger safety and welfare, or “cause significant damage to the Australian economy or part of it.”

Such pretexts were used to end last year’s Dorevitch

Pathology strike and a raft of other actions, including a planned strike earlier this year by 9,000 rail workers in New South Wales fighting to defend wages and conditions.

The Australian Council of Trade Unions’ recently installed president, Michele O’Neil, has hailed the outcome of the Dorevitch dispute to promote the peak union “Change the Rules” campaign. O’Neil declared: “The Dorevitch workers’ struggle shows that we need to change the rules so that people can get fair pay rise.”

The campaign has nothing to do with defending workers’ interests but is aimed at harnessing widespread anger over the decades-long assault on jobs and working conditions behind the election of another pro-business Labor government, on the basis of bogus claims that it will refashion industrial laws more favourable to workers.

Labor, in recent proposals on industrial relations policy, has made clear it will maintain all the essential aspects of the current repressive regime. In government, it would retain the FWC and boost its powers to end disputes and impose any outcome it sees fit. As the experience of Dorevitch Pathology workers shows, this would result in settlements based entirely on the profit requirements of the corporate and financial establishment.



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