

# Why has Australia's United Workers Union refused strike pay to locked-out Coles workers?

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One of the key issues raised by workers throughout the near-three month lockout of Coles supermarket warehouse workers at Smeaton Grange in southwestern Sydney has been why the United Workers Union (UWU) has rejected calls to provide strike pay, let alone organise solidarity action by any of its 150,000 or more members.

Last Tuesday, the Smeaton Grange workers voted, 167 to 163, to reject the latest sellout deal struck between Coles and the UWU, taking a significant stand against the sweeping destruction of jobs and conditions being unleashed by the employers in the strategic warehousing, delivery and logistics industries, and throughout the working class as a whole.

In response, however, the UWU has suppressed news of their vote and is continuing to try to starve them into submission. Throughout the lockout, the union has done nothing to assist them financially except establish an online appeal for donations for the UWU to dole out some money and food vouchers. This fund has raised less than \$75,000, or around \$250 per locked-out worker. Over three months, that is a pittance of about \$20 a week.

Critical questions arise. Why has the union continued to refuse to set aside any of its considerable fee revenue and assets for strike pay for such locked-out or striking workers? Why has the UWU not even called for a strike levy on its members throughout basic and strategic industries? More fundamentally, what does this reveal about the very nature of the UWU and other trade unions?

## Huge union resources

First of all, it is clear that the UWU has substantial resources to provide strike pay. In fact, it operates like a sizeable business, as can be seen by the figures supplied in the UWU's annual report to the federal government's Registered Organisations Commission.

In 2019–20, the UWU took in membership fees of \$49.9 million, plus "sustension fees" of \$1.5 million, that is, payments made from state and territory branches to the national office. It also received rental income of \$1.15 million, interest payments of \$1.3 million, unexplained "other revenue" of \$1.5 million, and shares of net profits from "joint ventures" and "associates" totalling \$1.2 million.

Counted as income, too, was \$198.5 million in "net gain on assets from amalgamation." That resulted from the November 2019 merger of two unions, United Voice and the National Union of Workers (NUW), to form the UWU.

At the end of the financial year on 30 June 2020, the amalgamated union held assets totalling \$300.8 million, including cash reserves of \$94.2 million. It was a sizeable player on financial and property markets, recording \$116 million in "financial assets," \$67 million in

"land and buildings" and \$5 million in "investment properties."

No information is provided in the UWU financial report about the salaries it pays to the UWU national office-holders and other officials, except that "employee expenses" and "indirect employment expenses" totalled \$48.5 million. Of this amount, "holders of office" took \$3.6 million, leaving about \$40.7 million for other union employees, who number more than 500, and \$4.3 million for total indirect employment expenses.

How much UWU national secretary Tim Kennedy was paid is unknown, but in 2019, before the merger, he was paid \$212,643, including superannuation, as the NUW national secretary, according to the NUW's 2018–19 report to the Registered Organisations Commission. Disclosures made to a government union agency, published by the *Australian Financial Review* in November 2019, indicated that the NUW's Victorian state secretary was paid slightly less, \$210,850.

These union officials sit easily in the top 10 percent of income recipients in Australia. Their salaries are at least four times higher than the average wage of less than \$50,000 for warehouse workers and other even lower-paid UWU members.

These records do not include the much-larger revenues and assets of the superannuation funds, such as Hesta, Host Plus and LUCRF, on which UWU members serve as board members, drawing lucrative directors' fees. These funds, like all the country's union-employer funds, control huge investments, making the union chiefs key figures in Australian capitalism's financial elite. Hesta boasts of \$58 billion under management, Host Plus of \$47.8 billion and LUCRF \$6.9 billion—a total of more than \$112 billion.

## UWU-Labor-business ties

While the UWU insists it has no capacity to provide strike pay to workers, it pours funds into the Australian Labor Party, one of the country's two traditional ruling parties. In 2019–20, the union paid affiliation fees of \$573,000 to Labor Party bodies, plus made donations to the party of \$133,000. This is far more than the funds raised for the Smeaton Grange workers.

During the previous year, 2018–19, which coincides with the May 2019 federal election, the two unions that merged to form the UWU, donated \$1.4 million to the Labor Party. That election resulted in a debacle for the Labor Party, allowing the hated Liberal-National Coalition government to cling to office. Labor's vote fell to a near-century low of 33 percent, with the worst swings in working-class electorates, reflecting the deepening collapse of the base of Labor and the unions.

The UWU's financial support for the Labor Party illustrates the close partnership between the unions and this party, which has spearheaded the assault on workers, especially over the past four decades. In fact, the last two Labor governments—those of Hawke and Keating from 1983 to 1996 and Rudd and Gillard from 2007 to 2013—worked hand-in-glove with the unions to impose the anti-strike measures that today constitute the Fair Work legislation. These laws not only ban solidarity strikes, and all industrial action outside narrow union-employer enterprise bargaining periods. They permit companies like Coles to lock out workers with legal impunity.

The Fair Work laws embody Labor's defence of the power and wealth of the corporate elite, just as much as the Coalition, and its particular contribution in working with the union apparatuses to quash working class struggles.

The UWU, like every other union, tells its members that it cannot organise support action by other sections of workers because they could face huge fines under these laws. But the unions helped draft these laws precisely to straitjacket workers.

#### **Corporate union fundraisers**

In 2016, the *World Socialist Web Site* published a five-part series on what had been revealed by the 2015 report of a Royal Commission into trade union corruption in Australia. The purpose of this commission, established by the Coalition government, was reactionary and hypocritical. While denouncing union officials for "corruption" and "selling out their members," the report was intended to lay the basis for an even deeper attack on workers' conditions.

However, the contents of the report itself showed that the unions have absolutely nothing to do with defending workers' conditions. The Commission's case studies revealed the unions' real day-to-day activities as labour management businesses, hostile to the interests of the workers they falsely claim to represent.

The cases in the report spanned virtually every trade union in the country, including the NUW, which is now incorporated into the UWU. One typical arrangement was that the employers donate to union and Labor Party fundraising events run by union-created companies.

An example was IR 21, a company associated with the NUW, which raised money by holding "educational" seminars, addressed by leading Labor, union and corporate figures, which companies paid tens of thousands of dollars to attend. According to the Royal Commission report, its aim was to assist the election of NUW and other union officials, and the Labor Party. By 2015, the company held cash and shares in excess of \$1 million.

In 2004, for instance, IR 21 hosted a three-and-a-half hour luncheon at the Hilton on the Park in East Melbourne on the topic "Industrial Relations: The Future Revealed." The keynote speakers were Steve Bracks, then premier of Victoria, Heather Ridout, then CEO of the Australian Industry Group—an employers' body—and Greg Combet, then secretary of the Australian Council of Trade Unions (ACTU).

Tickets were \$425 per person or \$3,800 for a table of 10. By 2013, the cost of the tickets for such events had increased to \$500 per person or \$4,750 per table of 10. Speakers at the luncheons included prime ministers Kevin Rudd and Julia Gillard, and other Labor leaders, alongside representatives of companies with which the NUW was striking enterprise agreements, such as Paul Moore of Pacific Brands Holdings, Elmo de Alwis of Sigma Pharmaceuticals, Tim Oldham of Pacific Hospira Inc, Kerry Smith of PFD Foods and Michael Byrne of Linfox.

Such activities and cosy dealings, based on mutual benefit, are not

simply the outcome of individual corruption, but part of the underlying process of the incorporation of the unions into the ruling elite itself, along with the Labor Party.

These relations are hidden from the view of union members. But they pay for them through the cuts in wages, conditions and jobs overseen by the unions.

#### **Another "super union"**

When the UWU was formed, in November 2019, by the amalgamation of United Voice and the NUW, efforts were made by the union and its supporters to depict it as a departure from the long record of union betrayals since the prices and incomes Accords between the unions and the Hawke and Keating governments in the 1980s and 1990s.

An NUW official, Godfrey Moase, writing on the *Social Review* website in May 2019, promoted the amalgamation as "more than a traditional merger between two unions." It was "a radical and transformative proposal that reimagines union structures to be fit for purpose in the precarious world of late capitalism."

In reality, the new "super union" is no different from the ones formed by the amalgamations implemented during the Accords of the 1980s and 1990s, and ever since, as union memberships have fallen dramatically. They are wealthy and ruthless machines for strangling mounting workers' struggles against the intensified offensive of the capitalist class.

The unions have always supported capitalism and wage-labour exploitation, and actively stifled any struggle against it. But in earlier times they defended their privileged positions by seeking to obtain limited improved wages and conditions for their members, always within the confines of the national state.

The globalisation of production, however, shattered any objective basis for national economic protection and regulation. The unions' nationalist and pro-capitalist program turned them into organisations that seek to slash the conditions of workers in order to boost the "competitiveness" and hence profitability of Australian capitalism.

As a result of these bitter experiences, union membership has shrunk from more than half the workforce in the 1970s to 14 percent today. At the same time, as typified by the UWU, the unions have become increasingly bloated and privileged apparatuses, with their leaders among the wealthiest layers in the country.

That is why the working class must build new organisations of struggle, totally independent of the unions. Workers need to establish networks of genuine rank-and-file committees at Smeaton Grange, and at all Coles and Woolworths warehouses and throughout the economy, to organise a unified industrial and political struggle against the offensive of the companies and the unions.

In direct opposition to the unions and Labor, these organisations have to be based on rejecting the dictates of the financial markets and the capitalist profit system. That means turning toward a socialist program for the complete reorganisation of society, which would include placing logistics and all basic industries under public ownership and democratic working class control.



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