Australia: Melbourne bus drivers face real wage cuts under union-backed deals

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New enterprise agreements (EAs) negotiated by the Transport Workers Union (TWU) covering drivers at four of Melbourne's major bus operators in recent weeks will slash workers' real wages.

The deals struck at Kinetic, ComfortDelGro (CDC), Ventura and Dyson's are similar to recent sub-inflationary wage "increases" rammed through by the TWU and other unions across the transport industry and more broadly. This is in line with the demands of the corporate elite and the policies of state and federal governments, with Prime Minister Anthony Albanese and Labor at the helm, that workers must make "sacrifices," and that any growth in wages must be paid for in the form of "increased productivity."

At CDC, Dyson's and Ventura, wage increases will be tied to the change in average weekly earnings (AWE) as calculated by the Australian Bureau of Statistics. This is the rate funded by the Victorian state Labor government, which contracts the private operators to run the scheduled services. The union's role in the dispute was to force workers to accept the meagre deal the government was offering.

The EAs also contain minor changes to penalty rates, bringing them into line with other industries, but this will do nothing to compensate for soaring prices of essential goods and services, including petrol and food.

Linking wage growth to AWE has an insidious logic: Every sub-inflationary deal struck by management, government and the unions lowers the benchmark to which wages are pegged, further entrenching the suppression of pay.

The TWU has tried to cover this up by claiming that no conditions were lost. Drivers are under no illusions about the defeat and one CDC driver sent a message to the *World Socialist Web Site* (WSWS) that the vote was for "dodgy EA agreement rubbish." At the end of June a number of CDC drivers at the Sunshine bus interchange told WSWS reporters they were prepared to strike for a better deal.

There is clearly substantial opposition to this wage-cutting agenda. A driver told the WSWS that only 67 percent of drivers at CDC voted in favour of an EA that is essentially unchanged from the company's January offer, with only the addition of a 1 percent signing bonus. At Kinetic, just 52 percent of workers voted for the new EA.

These narrow margins indicate why the union was so determined to call off a multi-company strike in May, rushing to announce a separate deal covering Kinetic, the largest operator with 30 percent of Melbourne's routes. This left Ventura and Dyson's drivers isolated just four days before the planned one-day stoppage.

The TWU employed the same "divide and rule" tactic in 2018, when a strike at Transdev (which then operated the routes now served by Kinetic) was called off ahead of a joint action.

In a further example of the union's divisive tactics, strikes at CDC were limited to a series of four-hour stoppages, held over three days at the start of April and designed to cause minimal disruption to the company's operations.

At Kinetic, management and the TWU counted on the fact that, at first glance, the proposed EA appeared to offer an above-inflation pay rise, with a nominal pay increase of 6.74 percent this year. Future wage rises on July 1 in 2023 and 2024 will be the higher of 2 percent or the Consumer Price Index (CPI) increase for Melbourne, which was 6.1 percent in the 12 months to the end of June, equal to the national figure.

In truth, the deal means real wage cuts for workers for three reasons: Firstly, CPI does not reflect the true increase in the cost of living, especially of necessities such as food, housing and travel, including petrol. Secondly, CPI is predicted to rise to almost 8 percent by the end of this year and the nominal pay increases will

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trail price rises by 3-15 months. Finally, the deal says allowances will only be increased "in accordance with the Annual Wage Review determinations by the Fair Work Commission (FWC)." The latest "increase" by the FWC was only 4.6 percent, well below the national CPI of 6.1 percent.

The WSWS called for bus drivers at Kinetic to reject the proposed EA, which also did not address their demand for changes to rostering. Many drivers are forced to work constant overtime to bring in enough income to meet the rising cost of living. One Kinetic driver told the WSWS that most of the workers at his depot drive six days per week for about 40 weeks of the year.

A notice posted in Kinetic depots by the company thanked the union and claimed the agreement "delivers a better outcome for all." From the company's perspective, "better" means a real pay cut for workers that the company can use to offset the rising cost of diesel fuel and increase its profits. Workers will find no solace in the statement that they "will be the highest paid drivers in Victoria."

The TWU told workers, in notices seen by the World Socialist Web Site, that the deals at Dyson's, Ventura and CDC all "maintained and improved industry leading conditions and rates of pay," although they will leave drivers worse off than the Kinetic deal. The union can only make such claims because it has kept workers isolated from one another.

The TWU has posted very little on its Facebook page about the Kinetic EA and nothing at all about the deals at the other companies. On May 4 it said "Union Win! Enterprise Agreement endorsed at Kinetic," although workers had not voted at that point and only the union and the company had "endorsed" the deal. The virtual silence is because the union knows there is growing opposition among workers and it is fearful that any discussion between drivers at different companies could spark a rebellion.

Behind the union's actions lies its support for the state and federal Labor governments. On June 9 the TWU gave a standing ovation to Labor Deputy Prime Minister Richard Marles, a former TWU legal officer, when he spoke at a delegates' conference.

The TWU lined up with virtually every other Australian union in campaigning for Labor in the May federal election, promoting the party's phoney promise of a "better future." Within days of coming to power, Labor proclaimed there was an economic crisis and demanded "sacrifices" from workers. The unions are now taking up the task of extracting these "sacrifices."

The attack on bus drivers' wages is not just an Australian phenomenon. In Britain, workers are voting this month on deals agreed by management and the Unite union at London United and Stagecoach. The union is promoting wage "rises" that are, respectively, 7.6 and 3.8 percentage points below the official inflation rate of 11.8 percent.

Negotiations are also underway at five other UK companies, including Metroline, a subsidiary of CDC, and Go-Ahead, which in June accepted a takeover offer from an international consortium led by Kinetic.

The struggle against the attacks on conditions and cuts to take home pay cannot go forward through the union. In Britain the fight for workers' interests is being led by the London Bus Rank-and-File Committee (LBRFC), supported by the Socialist Equality Party.

The LBRFC serves to bring together bus drivers from all companies, as well as rail and other transport workers, in a common struggle against the assault on their wages and conditions and the ongoing betrayals by the trade unions.

The rank-and-file committee has also led the fight against the reckless endangerment of drivers and passengers throughout the COVID-19 pandemic, including the campaign to reinstate David O'Sullivan, a driver sacked for upholding workers' rights to health and safety.

The LBRFC should serve as a model for bus drivers in Victoria, who must fight to build a unified struggle of workers throughout the transport industry and more broadly. This includes a turn to bus drivers in New South Wales (NSW), Queensland and South Australia, where multiple rotten union-management deals are currently being prepared.

Ultimately, what is required is a fight for socialism and democratic workers' governments, under which vital amenities, including public transportation, can be operated to serve the needs of workers and society, rather than the profit interests of big business.

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