

# Australia: Unions, business and Labor deepen collaboration as Summit nears

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The Australian Council of Trade Unions (ACTU) and the Council of Small Business Organisations Australia (COSBOA) have signed a memorandum of understanding pledging their support for multi-employer bargaining and other industrial relations reform, according to the *Australian*.

The deal between Australia's peak union body and the small business lobby group comes ahead of the Labor government's Jobs and Skills Summit, which begins on Thursday. The agenda for the Summit, which allots as much time for morning tea as for discussion of "Maintaining full employment and growing productivity," and shows the event wrapping up by 2:45 p.m. Friday, makes clear that the official program is a sideshow to the real negotiations that are already taking place behind closed doors.

The purpose of the Summit is to bring unions, business and the government together to plan a tripartite assault on wages, conditions and social spending. This demand has been at the centre of the frustration of businesses large and small with governments for more than three decades. Referred to blandly as "labour market reform," what they are seeking is in fact the destruction of workers' few remaining rights and conditions.

Last month, Treasurer Jim Chalmers warned that Australians would have to swallow "tough medicine," and would face at least another two years of real wage cuts.

Over the past year, real wages in Australia fell by 3.3 percent, more than in any 12-month period since 1997, when the Australian Bureau of Statistics began measuring wage growth. In the 12 months to March, profits grew by 25.3 percent in nominal terms while wages increased by just 5.2 percent.

With opposition already building among workers to further cuts, the ruling class is conscious that it is sitting atop a volcano.

A major component of the Summit will be reform of Australia's industrial relations legislation, and particularly the question of enterprise bargaining, which the unions, business and government have all declared is "broken." Their concern is not that it is failing to deliver increased wages, but that it is becoming increasingly difficult for the unions to impose the sell-out deals business demands.

Enterprise bargaining has served as the primary wage-fixing mechanism of industry since it was introduced by the union-

backed Paul Keating Labor government in 1991.

Workers' struggles were separated into individual workplaces and their wages and conditions were tied to the production and profits of their employers. The right to strike was limited to union-run bargaining windows every few years, with harsh fines for any industrial action outside of these narrow parameters.

This prohibited workers from withholding their labour over broader economic, social or political issues, or in support of other workers under attack.

The straitjacket was further tightened by the Rudd-Gillard Labor government, which introduced the Fair Work Act in 2008, outlawing "wildcat" strikes, increasing the power of the industrial courts and entrenching the unions as the only official bargaining representatives.

These measures have served for decades to allow business to slash jobs, wages and conditions and enjoy massively increased productivity and profits, while the unions ensured opposition from workers was kept to an absolute minimum.

Recently, however, the number of workers covered by enterprise agreements (EAs) has fallen significantly, with just 15 percent of the workforce now under current agreements.

In part, this is because of the increasing use of labour hire and contract labour, as well as the growth of the "gig economy." There are also a growing number of long-running disputes in which unions have been unable to ram through wage-cutting deals in the face of hostility from workers now confronting rapid increases in the cost of living.

This, combined with the dwindling membership of the unions, has led to growing concerns in the ruling class that the organisations historically responsible for suppressing the working-class may no longer be up to the task.

This is what is behind the unions' call for multi-employer or sector-wide bargaining, which has now attracted the backing of COSBOA and Labor, as well as conditional support from the Business Council of Australia.

The ACTU-COSBOA deal is particularly significant because the unions have historically had very little coverage over the almost 5 million workers—half of the Australian workforce—employed in around 800,000 small businesses across the country.

This cannot be understood as merely an attempt by the unions to increase their membership. The ACTU is seeking these reforms in order to maintain the unions' central role as agents of wage suppression, and to extend their influence and control over a whole new section of the working class.

What is very clearly *not* on the agenda at the summit is any limitation of the draconian powers of the Fair Work Commission (FWC) to ban industrial action and impose mandatory arbitration in response to the demands of employers or governments. The unions are silent on this issue because they rely on the laws to shut down workers' demands for strikes and justify confining disputes to backroom negotiations.

The FWC has the power to ban any industrial action on the basis that it may "cause significant economic damage to the Australian economy or an important part of it." This provision means any attempt by workers to carry out broad strike action as part of a sector-wide dispute could be swiftly ruled unlawful by the anti-worker courts.

The ACTU and COSBOA are calling for "simplification" of the "better off overall test" (BOOT) for approval of enterprise agreements, diminishing what little protection workers have against the open slashing of their jobs, pay and conditions. This BOOT provision is purportedly to ensure that conditions negotiated in EBA's are not worse than the award—an abysmally low standard.

ACTU Secretary Sally McManus told the *Australian* that this "simplified" BOOT should not just apply to small business, but across all levels of enterprise bargaining.

McManus said: "I think whatever BOOT we adopt for bargaining, whether it's multi-employer agreements or whether it is enterprise agreements, it should be the same BOOT."

Workplace Relations Minister Tony Burke indicated yesterday he had abandoned his "hardline" stance on retaining the BOOT, telling ABC Radio National, "wherever we can make the system more practical then I'm interested."

For business, the purpose of "simplifying" or abolishing the BOOT is to remove any impediment to the elimination of weekend, after hours and overtime penalty rates, as well as other conditions won in struggle by workers over decades.

The ACTU-COSBOA deal is just one indication of how closely McManus and the unions are working with business and the government, and their intention to deepen the cosy relationships developed since the earliest stages of the COVID-19 pandemic.

The ACTU was intimately involved in crafting the Liberal-National Coalition government's JobKeeper wage subsidy. The chief purpose of this scheme was to hand billions of dollars to big business, regardless of subsequent profitability. In addition, it gave employers unprecedented powers to slash workers' hours and change their duties to avoid paying them more than the meagre \$750 per week subsidy.

In addition to frequent meetings with then Prime Minister Scott Morrison and Industrial Relations Minister Christian

Porter, leading Porter to dub McManus his "best friend forever," the ACTU worked closely with business lobbyists.

In 2020, McManus reportedly reached a deal with Business Council of Australia (BCA) chief Jennifer Westacott to eliminate the BOOT entirely for union-negotiated deals, enabling them to be fast-tracked through the FWC. The plan was ultimately thwarted as a result of disagreement from other business groups involved in the secretive talks.

Both Westacott and McManus indicated on the ABC's "Insiders" program on Sunday that they are now open to reviving the deal.

Far from the "better future" promised by Labor in the lead up to the May election, what is being prepared at the Summit and in the negotiations surrounding it is a major assault on the jobs, wages and conditions of the Australian working class.

Workers cannot mount the necessary counter-offensive from within the stranglehold of the unions, which are positioning themselves for even closer collaboration with business and government.

The only alternative is the independent organisation of workers, through the building of rank-and-file committees in every workplace, to take up a struggle for real wage increases and improved conditions, not only against their employers, but the unions, Labor and the industrial courts.

The devastating economic impact of the US-NATO proxy war in Ukraine and the ongoing COVID-19 pandemic is driving a global upsurge of the working class. Through the International Workers' Alliance of Rank-and-File Committees, workers in Australia should reach out to their class brothers and sisters around the world and mount a united struggle against their common opponent, the capitalist system and the subordination of every aspect of workers' lives to the profit interests of the corporate and financial elite.



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