

Australian CEOs praise Labor government and union leaders

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21 December 2022

In a survey by the *Australian Financial Review*, published on Monday, the CEOs of some of the largest companies operating in Australia heaped “near universal praise” on the Albanese Labor government. Almost invariably, the “top CEOs” described their relations with the government as “positive” and “collaborative.”

At the same time, key corporate figures warned of immense global uncertainty and a sharp economic downturn in 2023. They demanded that the government further slash business taxes and regulation, combat inflation (which means suppressing wage demands), provide labour market “flexibility” and ramp up migration to supply cheap labour.

This is a government that has already, in its first seven months, gone far beyond what its hated Liberal-National Coalition predecessor did, or politically could have gotten away with. It has inflicted sub-inflation pay “rises” on workers, ended virtually all public health measures letting loose the disastrous COVID-19 pandemic and escalated preparations for a US-led war against China.

The corporate tributes point to the anti-working-class character of the Labor government. Like previous Labor governments—from Whitlam’s of 1972–1975, Hawke and Keating’s from 1983 to 1996 and Rudd and Gillard’s from 2007 to 2013—Albanese’s is totally committed to meeting the requirements of the ruling capitalist class. Once again, the corporate elite is relying on a Labor government to carry through a new wave of pro-business economic restructuring.

As soon as Albanese’s government narrowly scraped into office in May, it ditched its fraudulent election slogan of “a better future” and proclaimed the necessity for workers to accept “sacrifices.” It also declared the need for “budget repair,” which is shorthand for cutting social spending. In its first budget, handed down on October 25, the government openly began that offensive. It declared the need for at least two more years of real wage cuts,

while maintaining income tax cuts for the wealthy and boosting military spending.

Rob Scott, the CEO of Wesfarmers, a retail and industrial conglomerate that is one of the country’s largest employers, with over 100,000 workers, told the financial newspaper: “We have welcomed the opportunity to engage with the Albanese government since it came to power this year. We value the opportunity to work together on a range of important issues.”

Matt Comyn, the head of Commonwealth Bank, the country’s largest bank, which the Keating Labor government fully privatised in 1996, said: “The new government has adopted a constructive, collaborative and considered approach to managing the country since it was elected.”

Vicki Brady, the chief executive of Telstra, the telecommunications giant that has axed tens of thousands of jobs since its privatisation was completed by the Gillard Labor government in 2011, said: “We have welcomed the government’s proactive and consultative approach on key policies.”

Westpac bank boss Peter King commented: “The October budget set a decent tone around budget repair... overall, the PM and his team have done well, and they’ve been good to work with.”

Significantly, many big employers also spoke of their “strong” and “collaborative” relations with the trade union leaders, on whom the Labor government is depending to enforce its agenda against the opposition of workers, who are experiencing an intensifying cost-of-living crisis, resulting the greatest cuts to living standards since World War II.

Some CEOs directly expressed their appreciation for the role of the unions in imposing real wage-cutting enterprise agreements on their workers. Australia Post chief Paul Graham said: “We have strong relationships with the unions representing our team members and

during the year, we secured a new three-year agreement with more than 30,000 award-level Australia Post team members.”

Since the Communications Electrical and Plumbers Union rammed through this enterprise agreement, based on the company’s “Sustainable Delivery Model,” postal workers have suffered constant overtime, staff shortages and stepped-up monitoring of all aspects of their work, and meagre 3 percent annual wage increases—far below inflation.

Steve Cain, CEO of the Coles supermarket chain, also commented favourably on the unions. “Coles employs 120,000 team members and we actively engage with them and their union representatives to negotiate Coles enterprise agreements that deliver higher wages, improved working conditions and greater productivity,” he said.

In 2021, Coles subjected 350 workers at its Smeaton Grange warehouse in Sydney to a 14-week lockout that ended in betrayal at the hands of the United Workers Union (UWU). After a courageous stand, the workers were finally compelled to accept a sell-out deal after the UWU refused to provide strike pay and colluded with management to push an agreement that ratified the closure of the facility and the destruction of all, or most, of the jobs there.

Cain endorsed a key component of the Labor government’s industrial relations legislation, which was rushed through parliament earlier this month. “We welcome changes in the Fair Work Amendment (Secure Jobs, Better Pay) Bill 2022 to simplify the Better Off Overall Test [BOOT].” This BOOT change will make it even easier for employers and unions to impose enterprise agreements that undercut workers’ jobs and conditions.

Other provisions in the government’s legislation attack what is left of the right to strike. They expand the powers of the Fair Work Commission industrial tribunal to stop or shut down strikes. They also seek to extend the policing role of the unions via “multi-employer bargaining”—in order to cover some of the millions of workers, in fact 87.5 percent of the workforce, who no longer belong to unions. This is due to widespread disgust and hostility to long record of union betrayals, particularly since the corporatist Accords between the Hawke-Keating governments and the unions in the 1980s and 1990s.

Some CEOs voiced nervous concern, however, that “multi-employer bargaining” could open the door for sections of workers to mount an offensive to defend wages and conditions, warning against a return to the huge strike waves of the 1970s, which the then Whitlam

Labor government and the unions failed to contain.

NIB Group chief executive Mark Fitzgibbon, said multi-employer bargaining was “taking us back 30 years in industrial relations.” BHP boss Mike Henry declared: “The legislation risks unsustainable wage inflation that increases costs without associated productivity improvements, in turn reducing Australia’s global competitiveness.”

Henry and other CEOs delivered blunt instructions to Albanese and his ministers. Henry said the government had to “address globally uncompetitive fiscal settings, falling productivity and education levels, and rising inflation and skills shortages.” For that, “the primacy of enterprise bargaining” had to be maintained.

These comments, intended for the newspaper’s elite audience, further expose the fraudulent claims by the Labor government and the union bureaucrats to be seeking wage rises and cost-of-living relief for workers. They are dedicated to imposing on workers the burden of the capitalist economic crisis, just as their forebears did.

The CEOs’ remarks are a warning that the employer-government-union offensive will intensify in 2023 as the global economy plunges into slump and prices and interest rates soar as a result of the worsening COVID pandemic and the escalating US-NATO proxy war against Russia in Ukraine.

Workers need to draw necessary lessons from the bitter experiences with Labor and the unions. To fight to defend jobs, wages, working conditions and living standards, new organisations are required—rank-and-file committees, completely independent of Labor and the unions. Only by taking matters into their own hands can workers fight to defend their own class interests. These struggles need to be guided by an opposed socialist perspective, based on social need, not the private profits and wealth of the corporate oligarchs.



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