

# What is behind the United Workers' Union sell-out of Pampas workers?

Martin Scott  
9 January 2023

The United Workers' Union (UWU) bureaucracy is attempting to ram through a rotten enterprise agreement at the Pampas pastry and bread factory in Melbourne, after ending a four-week strike by workers on December 16.

The UWU leadership is pushing this sell-out because of its role as an enforcer of the demands of big business and finance capital, to which the union's own vast resources are tightly bound.

The Socialist Equality Party urges Pampas workers to vote "no" to this UWU sell-out, which will see workers receive an annual wage increase of just 4.5 percent, far below the official inflation rate of 7.3 percent.

Conscious of the hostility among workers to the proposed agreement, the union leadership is working closely with management to cover up the reality of this deal. Most workers have not seen the proposed agreement, although the official ballot opens tomorrow.

Even with the full details of the deal still under wraps, the story of a "historic win" told by the union bureaucracy to end the strike is starting to unravel. Some workers have reported being told that only six, rather than eleven, labour-hire casuals will be immediately given full-time jobs, while others will have to wait 18 months.

This underscores the necessity for all workers to be given the opportunity to scrutinise and discuss the full proposed agreement in detail, but this is precisely what the union bureaucracy and management are desperate to prevent.

The perfidious role of the UWU bureaucracy, in this and previous disputes, is not the result of tactical errors, a lack of militancy on the part of workers, or the bad actions of individual leaders alone. Instead it is the product of the class role of the union apparatus as the enforcers of the demands of management and the corporate elite.

The UWU, like all the unions, is not a workers' organisation in any sense. It serves to defend the corporate elite and its own financial interests, which tie it by a thousand threads to the predatory operations of finance capital, directed above all against the working class.

In 2020-21, the UWU collected \$79 million in fees from its 152,685 members. It also recorded \$17.7 million in investment income, \$1.66 million in rental income, and \$4.19 million in

"other revenue," including sponsorships and directors fees. In addition, the union earned \$984,369 in distributions from property investments through joint ventures and associates. The UWU's total income for the 2020-21 financial year was \$104.8 million.

The UWU holds assets totalling \$300.4 million, including cash reserves of \$35.7 million. The union has a vast investment portfolio, including \$130.5 million in financial assets and \$12.8 million in investment properties. In addition, the union owns \$105.5 million worth of land and buildings.

The UWU's "employee expenses" and "indirect employment expenses" for 2020-21 totalled \$74.5 million, a 54 percent increase over the previous year. Of this, the 18 "holders of office" took more than \$4 million, leaving about \$64.6 million for other union employees, who number more than 570, and \$5.86 million for total indirect employment expenses.

National Secretary Tim Kennedy received a salary of \$230,354, plus superannuation and benefits of almost \$58,000. Assistant National Secretary Paul Richardson received a package totalling \$254,322, and at least three more executives were paid more than \$225,000.

These salaries, at least four times what is earned by most Pampas workers, place the senior union bureaucrats comfortably among the highest income earners in the country. In 2018-19, only 3.5 percent of Australians recorded taxable income of more than \$180,000, according to the Australian Tax Office.

Kennedy last week denounced workers who are not union members for "free-riding" and called for a levy to be imposed on non-members for the supposed benefit of coverage under a union-brokered enterprise agreement.

In other words, the leader of the fourth-largest union in the country is saying that the only way to reverse the mass exodus of workers from the unions over the past 40 years is through a government-sanctioned protection racket. This is a tacit admission that neither the UWU, nor any other union, have anything to offer the 87.5 percent of Australian workers who are not union members.

According to the *Nine* media, Kennedy claimed that, without a substantial increase in membership revenue, the UWU would have to run "off the smell of an oily rag." The vast financial

resources of the union expose this as a blatant lie.

The UWU's financial records do not include the much-larger revenues and assets of the superannuation and insurance funds, to which the unions are closely tied. The UWU is a major shareholder in Hostplus, which its predecessor United Voice co-founded with employer group the Australian Hotels Association (AHA).

Three UWU executives, including National Vice President Gary Bullock, serve as directors on the Hostplus board, which is jointly appointed by the UWU and AHA. Hostplus is one of the ten largest superannuation funds in Australia, with \$80 billion in funds under management.

In addition, UWU National President Jo-anne Schofield serves on the board of AustralianSuper, the country's largest superannuation fund with \$244.9 billion invested, while Helen Gibbons, an executive director of the UWU, is deputy chair of the board of Hesta, which has \$68 billion under management.

In 2020-21, the UWU received a total of \$669,240 in board directors' fees. Hostplus also pays the union \$400,000 annually "to support the marketing advocacy and promotion of the Fund."

These directorships mean that union chiefs are key figures in Australian capitalism's financial elite, sharing boardrooms with leading business lobbyists, corporate bosses and high-level bankers.

Australian superannuation funds now control a total of \$3.3 trillion, more than 125 percent of the country's annual gross domestic product, up from \$183 billion in 1993.

The interests of these massive union-backed financial operations are diametrically opposed to those of working people. The continuing growth of these investments depends on ever-increasing profits extracted through the slashing of jobs, wages and conditions. Above all, these funds rely on the stability of the markets, meaning they are hostile to any possibility of disruption caused by strikes or other industrial action, let alone a broader movement of the working class.

This "equal representation" of union officials and corporations on the boards of industry superannuation funds was mandated by the Keating Labor government when compulsory superannuation was established in 1993.

While superannuation is ostensibly paid for by business, the union bureaucracy has always ensured that increases in employer contributions have been traded off for wage cuts, meaning they were paid for by workers themselves. The real aims of the mandatory superannuation system were to slash government expenditure on the poverty-level pension system, while borrowing—with no guarantee of return—a portion of workers' wages to boost the financial markets.

Union leaders were handed leading roles in these multi-billion dollar investment funds as a reward for their collaboration in suppressing industrial action, enforcing the destruction of jobs and driving down wages and conditions, through the Accords beginning in 1983.

This was a key component in the transformation of the unions into their current role. They have always defended the capitalist system and worked to suppress any attempt to challenge it. But in an earlier period, the privileged position of the union bureaucracies depended on extracting limited concessions for workers, within a tightly regulated national economy. Such gains as were granted to workers were deliberately calculated to dissuade them of the necessity to take their struggle beyond the constraints of the unions and fight for a socialist alternative to the capitalist system.

With the globalisation of production, however, the nationalist program of the unions has turned them into organisations that seek to enhance the "international competitiveness" of capitalism in "their own" countries. This means driving down wages and conditions for workers in order to maximise corporate profits and depends on the union apparatus doing whatever is necessary to shut down any opposition from workers to the deepening assault on their livelihoods.

This is why workers need to build their own independent organisations of struggle. Rank-and-file committees, completely independent of the unions, must be established at Pampas and throughout Goodman Fielder and the broader working class. These committees will serve as a forum for the democratic discussion and development of demands based on the actual needs of workers, and of a plan to fight for them.

Workers in a single factory cannot take on vast multinational corporations alone. But Pampas workers should draw confidence from the fact that their dispute is part of an emerging global struggle, by workers who confront similar attacks. Through a unified struggle, organised through a network of rank-and-file committees across Australia and around the world, these workers can take on the joint offensive of the corporations and the union bureaucracies.

This must be based on a rejection of the nationalist perspective of the unions and a political struggle against them, as well as governments, the corporate media, industrial courts, and all other defenders of finance capital and the exploitative profit system.

Ultimately, what is required is a fight to establish workers' governments to enact socialist policies, including placing vital industries including food production, as well as other major corporations and banks, under public ownership and democratic workers' control.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**