

# Former Australian union boss pushes for renewed business-union partnership to deepen attack on workers

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22 September 2024

Over the past week, former Australian Council of Trade Unions (ACTU) secretary Bill Kelty, now aged 76, has been wheeled out in the corporate media to help promote a big business push for the Albanese Labor government to more aggressively attack the wages and conditions of workers.

Kelty long ago departed the trade union bureaucracy, which he headed from 1983 to 2000, and was appointed to the board of Linfox, controlled by billionaire trucking magnate Lindsay Fox, of which he remains a valued member. By joining Linfox, Kelty took his pro-business years of service to their logical end.

Now Kelty has been given prominence by key ruling class mouthpieces, the *Australian Financial Review* (AFR) and the Murdoch media's *Australian*. Once again, he is being hailed for his role in imposing the corporatist Prices and Incomes Accords between the ACTU and the Labor governments of Hawke and Keating from 1983 to 1996.

These Accords established the framework, policed ruthlessly by all the union bureaucrats ever since via anti-strike laws, to decimate the jobs, conditions and basic democratic rights of workers in order to satisfy the demands of the financial elite for a total restructuring of the economy to make Australian capitalism "competitive" on the world market.

Kelty is calling for another business-union partnership as an essential vehicle to inflict an even deeper assault. His proposals include greater tax cuts for the wealthy, less bank regulation and a new model of enterprise bargaining—the system he helped impose in 1992—that would provide for "training wages." He insists that these and other measures are needed to "lift productivity," which are code words for ratcheting up the rate of exploitation of workers' labour power.

His reappearance on the public stage is occurring amid a developing political crisis. Prime Minister Anthony Albanese's Labor government is increasingly loathed in the working class with a federal election due by May. All indications are that the ballot will likely result in a very fragile minority government, headed by either Labor or the equally reviled Liberal-National Coalition, facing enormous social and political discontent.

Labor's support has imploded firstly because of its backing for the US-funded Israeli genocide in Gaza. That is part of its alignment with US-led militarism globally, including the war drives against Russia and China, which threaten humanity with a nuclear-armed World War III.

This has been compounded by the worsening housing and cost-of-

living crisis, Labor's deep cuts to the NDIS disability scheme and other social spending, and its attack on building workers' wages, conditions and basic democratic rights by imposing government control over the CFMEU, the main construction trade union.

Labor's 2022 election slogan of "a better future" has proven to be a total swindle. Since then, household disposable incomes, adjusted for inflation, have dropped by 8 percent. Working-class households have suffered the greatest financial stress due to soaring prices for essentials, rents and house mortgage repayments.

As far as the ruling class is concerned, however, Labor has not gone far enough, and its capacity to work with the trade unions to suppress the discontent among workers is breaking apart. That has been witnessed by ongoing anti-genocide demonstrations, substantial rallies by angry construction workers and growing numbers of strikes, such as the current New South Wales (NSW) nurses' stoppages against the state Labor government over pay and conditions.

Kelty has been brought forward under these conditions to advance the case for a new Labor-union-employer alliance which would go far beyond the Accords, particularly in the imposition of war-related austerity and suppression of dissent.

On September 6, Kelty gave a speech to a private lunch gathering of a small group of Melbourne business leaders. Significantly, it was attended by former Coalition Treasurer Josh Frydenberg, along with Tabcorp CEO Gill McLachlan and former Westpac director Chris Lynch, among others.

On September 17, excerpts from the transcript of his remarks were published in the AFR. "We need a Labor Party in which the big issues are confronted," Kelty said, describing the Albanese government as instead being "mired in mediocrity."

He praised Labor for its proposed cost-cutting in areas such as the NDIS, the environment and industrial relations, but insisted it "needs to address much more important reform."

Kelty was then afforded a column in the *Australian*, in which he lavished fawning praise on the corporate tycoons with whom he collaborated in drafting the Accords, such as Fox, George Polites (Confederation of Australian Industry), Peter Abeles (TNT Ansett), Ted Harris (Ampol), Bert Evans (Metal Trades Industry Association) and retail billionaire Solomon Lew.

"They were all brilliant and successful business leaders" who were "willing to work constructively" with the Hawke government and unions to "restructure the economy."

The ex-ACTU boss said these business "geniuses" had agreed with the union leaders on three things: "wage moderation," "no claims for

companies to pay health insurance” and fixing the “crazy” wages system that had allowed workers to fight for higher pay.

Kelty wrote: “It is true much of this was orchestrated by Keating and Hawke. But it could never have been done without the input of wonderful union warriors and employers who were prepared to stand up for the fight.”

He did not name the “union warriors” whose input was so critical to the tripartite union-employer-government Accords, but they were key “left” and Stalinist Communist Party of Australia officials such as Laurie Carmichael, who was installed as ACTU assistant secretary, working with the Maoist and pro-Moscow parties whose leading members held top positions in some of the largest unions.

The AFR lionised Kelty as “one of the architects of Australia’s modern prosperity.” This mythical “prosperity” has only benefitted the wealthy at the expense of working-class households.

In the first four years of the initial Accord in 1983, average real earnings fell by 4.2 percent.

This became an ongoing process of fuelling profits. In 1975, at the peak of the post-World War II boom, the share of wages in national income had been 62.4 percent. By 1992 it had dropped to 56 percent and by 2022 to 49.8 percent, even though more of the population was in work than ever before, mainly due to both parents in a family having to work to survive financially.

This record demolishes Kelty’s false claim: “The facts are plain that this period, 1991 to 2009, resulted in perhaps the biggest real wage improvement in the history of the country.”

The Accords were not just about cutting real wages. They consisted of shutting down workplaces that employed large numbers of workers with a history of militant struggle. In those that remained open, shop committees and other forms of organisation were destroyed or turned into pliant instruments of management.

The ACTU collaborated in inflicting a series of major defeats on workers in the 1980s, including the sellout of the sacked SEQEB workers in Queensland, the smashing of the Builders Labourers Federation and the use of the military to break the pilots’ strike.

At the same time, the Labor government’s privatisation program resulted in the handover of the Commonwealth Bank, Qantas and other government businesses to corporate owners.

In sum, the reactionary program initiated in the US by Reagan and in Britain under Thatcher was carried out in Australia by the Hawke-Keating Labor governments, with the full collaboration of the trade union apparatus.

The Accords also created a material base of corporate wealth for the union bureaucrats themselves. In return for lower real wages, the Accords promised a “social wage” that featured the diversion of wages into the establishment of joint union-employer controlled superannuation funds. Today, these funds manage hundreds of billions of dollars, making them some of Australia’s largest investors and employers. This gives the union hierarchy a direct interest in driving up the extraction of profits from the labour power of workers.

These processes marked the transformation of the unions from bodies seeking to extract concessions from employers—always on a national basis within the system of wage labour—into machines for overturning the hard-won conditions of workers in an endless drive to make “their” employers globally “competitive.”

#### **Kelty, Albanese and the corporate agenda**

In hailing Kelty, the AFR noted that today “his views fit with those of business leaders and economists concerned about the government’s lack of a credible strategy to boost economic growth.”

Kelty’s foray coincided with two annual conference speeches by corporate leaders, Minerals Council chief executive Tania Constable and Business Council of Australia CEO Bran Black, in which they publicly criticised the Albanese government for the first time.

Their demands, accompanied by threats of cuts to investment, include lower corporate taxes and mining royalties, removal of environmental and development regulations, and further restrictions on workers’ rights to organise and take industrial action.

A guest of honour at both annual gatherings, Albanese responded by making desperate pitches for continued corporate backing. He told the September 17 BCA event that his government had “stood up for some of Australia’s biggest employers,” against some populist criticism of profit-gouging and monopoly conduct.

“Throughout the past two years, we’ve stood against some pretty extreme anti-business policies put forward by members of the crossbench, and perhaps more surprisingly, by the Opposition,” he pleaded. “We are proudly pro-business and pro-worker,” he pleaded, effectively echoing Kelty.

Albanese also boasted of displaying “spending discipline” by producing “the first back-to-back budget surpluses for nearly two decades,” and securing deep cuts to the NDIS and aged care, both with the support of the Coalition. This proved that “economic reform is not confined to a vanished golden age.”

All this is a warning that as the next elections looms, Labor will only intensify the attack on the working class, working closely with the unions, in order to satisfy the dictates of the corporate ruling class. And that whatever government is formed after the election, whether headed by Labor or the Coalition, will go even further, especially as the war drive ramps up.

This, and the bitter experiences of the four decades since the Accords, underscores the urgent necessity for the working class to establish its political independence from the key agencies that defend the profit system—the Labor Party, the trade union apparatuses and all their apologists. To prepare for the struggles now posed, genuine working-class organisations, such as rank-and-file committees, must be built, totally independent of the union bureaucracy.

These committees will have to lead the fight against the intensifying employers’ assault and plunge into war, establishing networks across industries and unifying workers’ struggles nationally and internationally through the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

Such struggles can develop and succeed only if they are based on a political perspective completely opposed to that of Labor and the unions. That is the program advanced by the Socialist Equality Party for the reorganisation of society to meet the needs of the working people, not capitalist profits. This is bound up with the global fight for workers’ governments to expropriate the accumulated wealth of the billionaires and place the banks and basic industries under public ownership and democratic working-class control.



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