

Top Australian union bureaucrats join Labor's "economic reform roundtable"

Mike Head
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Treasurer Jim Chalmers announced on Friday that four senior officials of the Australian Council of Trade Unions (ACTU) would join their big-business counterparts at the Labor government's planned "Economic Reform Roundtable," to be held from August 19 to 21.

The involvement of the ACTU chiefs in this event underscores the increasing dependence of Prime Minister Anthony Albanese's government on the trade union apparatus to suppress working-class opposition to its agenda of war and austerity.

Chalmers said the 25-person roundtable would seek "consensus" to "boost productivity, strengthen our resilience and improve budget sustainability."

These are code words for further cutting workers' real wages and conditions and slashing social spending, including on disability services, health and aged care, while allocating billions of dollars more for military spending to prepare for war.

Despite their vastly reduced membership and legitimacy in the eyes of workers after decades of sellouts and agreements to axe workers' real pay, jobs and conditions, the Labor government is relying ever-more heavily on the union bureaucracies to police this agenda on behalf of the corporate ruling class.

Chalmers said the ACTU will have four places at the roundtable—secretary Sally McManus, president Michele O'Neil, and two "alternates," assistant secretaries Liam O'Brien and Joseph Mitchell.

They will sit alongside the major corporate and employer representatives—Business Council of Australia (BCA) chief executive Bran Black, Australian Chamber of Commerce and Industry boss Andrew McKellar, Australian Industry Group chief executive Innes Willox and Council of Small Business Organisations Australia chair Matthew Addison.

So far, the government has also invited its Productivity Commission chair Danielle Wood and Australian Council of Social Service chief executive Cassandra Goldie. Joining them will be the Liberal-National Coalition's shadow treasurer Ted O'Brien.

O'Brien's inclusion highlights the bipartisan nature of the offensive against the working class. That is despite the

Coalition's collapse of support at the May 3 election because of its identification in voters' minds with the Trump administration's dictatorial gutting of public sector jobs, social programs, mass immigrant deportations, trade war measures and demands for far higher rates of military spending.

Labor obtained a large parliamentary majority, but only a third of the overall vote, on a negative basis. It won because of the popular hostility to Trump's fascistic "Make America Great Again" war on the world and the American working class. Now it is stepping up its own offensive on working-class living standards, which have already fallen sharply since it first took office in 2022.

Last week, Chalmers won praise from corporate media outlets for declaring that the federal budget was "unsustainable" and adding to the roundtable agenda their demands for "tax reform"—that is, the further cutting of income and company taxes.

Albanese and Chalmers first announced the roundtable soon after the May 3 election, as part of a sharp post-election shift, from token, inadequate and temporary measures to reduce the ongoing cost-of-living crisis affecting working-class households, to lifting "productivity."

Speaking on behalf of the largest companies operating in Australia, BCA CEO Black wasted no time in welcoming the roundtable opportunity for more "constructive engagement" with "stakeholders." In a statement issued on Friday, he said the BCA would push for "red-tape reduction, faster approvals on major projects, future industries' growth, research and innovation, harnessing AI and tax reform."

Saturday's editorial in the Murdoch media's *Australian* was no less aggressive. It called for deeper cuts to government spending, together with a higher and broader Goods and Services Tax (GST), which hits working-class households the most, in order to cut personal income and corporate taxes for the wealthy.

This is under conditions in which the Labor government is already slashing billions of dollars from the National Disability Insurance Scheme (NDIS), and cutting expenditure in real terms on public health, education, housing and aged care, while boasting of increasing military spending by a record amount.

Meeting the Trump administration's demand to further boost

military spending to 3.5 percent of gross domestic product (GDP) would cost the federal budget almost \$210 billion extra over a decade, according to Parliamentary Budget Office figures.

That demand was first issued publicly by US Defence Secretary Pete Hegseth four weeks ago at the annual Shangri-La Dialogue Indo-Pacific military and strategic forum in Singapore. Hegseth insisted that this was necessary to prepare for an “imminent” war against China, which he provocatively accused of seeking military hegemony over the Indo-Pacific.

Fearing the widespread anti-war and anti-Trump sentiment among workers and youth, Albanese has desperately denied acceding to the White House demand, but the government is moving to accommodate Trump by quickly raising military spending.

Such spending increases can be implemented only at the cost of basic social services, including welfare programs, and the living conditions of the working class as a whole, triggering deeper working-class opposition.

A warning must be sounded. The union bureaucrats are totally committed to this offensive. In fact, the Albanese government’s convening of a “roundtable” takes to a new level the partnership formalised by the “Jobs and Skills Summit” that the government convened soon after first taking office in 2022.

That summit, also featuring the ACTU and corporate leaders, laid out plans for “multi-employer bargaining.” The purpose was to enable the unions to exercise broader control over sections of workers who were not previously covered by union-dominated enterprise agreements, in order to impose more real wage cuts and straitjacket opposition to the government-employer agenda.

As a result of that summit, the government also imposed legislation, backed by the unions, to increase the powers of the government’s pro-employer Fair Work Commission to shut down industrial disputes that threaten profits, further eroding the basic right of workers to fight for their own wages and conditions.

Since then, despite misleading claims by the ACTU and the government, workers’ wages have continued to fall compared to the real cost-of-living index for employee households, which includes mortgage and rent payments that are not counted in the official Consumer Price Index (CPI).

The government’s tripartite, corporatist post-election events intensify the anti-working-class collaboration by the union bureaucrats that was cemented by the Hawke and Keating Labor governments of 1983-1997.

After winning the 1983 election, Prime Minister Bob Hawke, a former ACTU president, presided over a four-day summit of employer, union and government representatives in parliament house. That laid down the framework for a series of Accords between the government and the ACTU that cut real wages and eliminated tens of thousands of jobs in the name of making Australian capitalism “globally competitive.”

This was a turning point in the transformation of the unions, from organisations seeking limited concessions for workers within a nationally-protected economy—while tying them to wage labour exploitation—into agencies policing the requirements of globalised production.

Enterprise bargaining, introduced by the union-backed Keating government in 1991, separated workers into individual workplaces and tied their wages and conditions to their employers’ profit needs. The right to strike was limited to union-run bargaining windows every few years, with harsh fines for any industrial action over broader economic, social or political issues, or in support of other workers under attack.

Supported entirely by the unions, the Rudd-Gillard Labor government went further. It introduced the Fair Work Act in 2008, increasing the power of the industrial courts and entrenching the unions as the only official bargaining representatives

These processes have inflicted a massive redistribution of income away from wages toward profits. In 1975, at the peak of the post-World War II boom, the share of wages in national income was 62.4 percent. By 2024, it had dropped below 50 percent.

Now the services of the unions are being mobilised for far deeper attacks, in line with the global plunge, spearheaded by the Trump administration, into trade war and war.

As the bitter experiences of the past four decades demonstrate, workers cannot defeat this offensive from within the stranglehold of the union apparatuses, which are positioning themselves for even closer collaboration with business and the Labor government.

What is required is a political break from Labor and the independent organisation of workers, through the building of rank-and-file committees, together with their class brothers and sisters worldwide. That is essential to fight the capitalist system’s lurch into war and its subordination of every aspect of life to the profit interests of the corporate and financial elite.



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