The pro-business record of departing Australian union chiefs McManus and O'Neil

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Australian Council of Trade Unions (ACTU) Secretary Sally McManus and President Michelle O'Neil revealed Monday that they would resign within months, with McManus set to go by the end of August.

The sudden departure of the country's two top union bureaucrats is part of a developing crisis of the Labor Party and its affiliated union apparatus, also expressed in the forced resignation this week of Victorian Labor Premier Jacinta Allan.

Amid deepening economic turmoil exacerbated by the US-led imperialist wars in the Middle East and globally—all supported wholeheartedly by the Albanese Labor government—the assault on the working class will have to be deepened. The federal Labor government is not only conscious of the enormity of the job, but of the mounting opposition among the working class to this war and austerity program.

The social tensions are already being expressed in a breakdown of the political mechanisms relied on by the Australian capitalist class for more than 80 years. The traditional conservative Liberal-National Coalition is increasingly an alternative government party in name only. Both state and federally, its base has collapsed, reducing it to a rump organisation.

The anti-immigrant One Nation party has poached the traditional demographic of the conservative right. But the far-right populist outfit has also made inroads into Labor's base as the government carries out the greatest reversal of the social conditions of the working class since the end of WW2.

It is under such conditions that the announcement was made of the sudden resignation of the two senior ACTU leaders on whom governments have relied over the last decade. That period was characterised by profound crisis, including devastating fires that ravaged whole swathes of the Australian landscape, killing 33 people; the COVID-19 pandemic resulting in the deaths of over 26,000 people; the support, politically and materially, for the genocide in Gaza and the war in Iran; and now the gutting of social programs such as the National Disability Insurance Scheme (NDIS).

The precise circumstances behind the departure of McManus and O'Neil remain unclear. They certainly do not disagree with the brutal program Labor is pursuing.

What is changing, however, is the response of the working class. Amid an acute and protracted cost-of-living crisis, there are growing signs that the old methods through which the unions have suppressed the class struggle are starting to crack. In key industrial disputes, workers are rejecting union-brokered sellout deals, demanding strike action and starting to fight back against the bureaucracy that has kept them straitjacketed for decades.

There may be doubts among the ruling elite over whether McManus and O'Neil could have continued to keep the working class under control in the explosive period of upheaval that is coming. But this has not stopped them being showered with praise by Labor leaders, union officials and the corporate media for the essential service they have provided to Australian capitalism throughout their tenure.

Prime Minister Anthony Albanese declared them "giants of the labour movement" who were "stepping down from their respective positions at a time when there have been significant wage increases in critical and long-undervalued sectors, the gender pay gap is at a record low and union membership is growing for the first time in decades."

Transport Workers Union (TWU) Secretary Michael Kaine said "They've rebalanced the scales in the workplace in a way that no team has ever done before them and they've done it in a way that has brought the union movement together—there's no sense of factional fighting."

These comments are fraudulent. Since McManus took the top job, average real wages have fallen 3.75 percent, to levels not seen since 2011. Over the same period, average house rents have increased by more than 60 percent.

Union membership has continued to decline, falling from 15.7 percent in 2016, to 13.1 percent in 2024, down from more than 50 percent in the mid-1970s. In the private sector, less than 8 percent of workers are union members.

McManus and O'Neil have presided over the destruction of the CFMEU, a union of more than 80,000 members, through its administration and disaffiliation. This represents one of the most blatant attacks on workers' democratic rights in decades.

The farewells published in the financial press provide a more honest appraisal of the leadership duo's tenure.

The *Australian Financial Review* (AFR) hailed them as a force of stability, noting the pair were "the longest-serving ACTU leadership team since 1969," and McManus "the longest-serving ACTU secretary since Bill Kelty."

The *Australian's* Ewin Hannan hailed their willingness to collaborate with conservative governments and big business: "McManus and O'Neil successfully worked with Scott Morrison to steer a course through the Covid pandemic, even striking up an unlikely relationship with then Business Council of Australia boss Jennifer Westacott and then workplace relations minister Christian Porter, who memorably told me that he had become 'best friends forever' with McManus."

There is a stark contrast between these accounts and the promotion of McManus as a militant firebrand when she was installed as ACTU secretary in 2017.

The *Guardian* gushingly described McManus as "a socialist, an active feminist, a brilliant campaigner," possibly "too radical" for Labor, who "says exactly what she thinks," and was "aiming to cause massive drama" and "tame corporate power."

The pseudo-left eagerly joined in the public relations campaign promoting the elevation of McManus. Socialist Alliance said her elevation represented "a strategic shift in the trade union movement in this country."

In response to her statement that "when the law is unjust, I don't think there's a problem with breaking it," Socialist Alternative declared: "Every militant in the union movement will welcome as a breath of fresh

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air Sally McManus's comments on defying unjust laws."

This entirely fabricated portrait of McManus as a maverick figure taking the reins of the ACTU was a perfect fit for the perspective consistently advanced by the pseudo-left, that all workers need do is pressure the unions to take up a more "militant" struggle, through which reforms can be extracted from the political establishment without the need to disturb capitalist property relations.

Moreover, these phony claims completely contradicted the reality that McManus had spent her entire adult life ascending the ranks of the union bureaucracy. Nothing in her history suggested for a moment that she had any intention of breaking "unjust laws" or doing anything other than enforcing them.

At 19, she was elected president of the student union at Macquarie University, after which she participated in the inaugural class of Organising Works, an ACTU training program for budding union organisers.

McManus's first full-time job was as an organiser for the Australian Services Union (ASU), where she rose to state secretary in 2004, before becoming a vice president of the ACTU in 2015 and assuming the top job in 2017.

Her defining achievement at the ASU was to preside over a multi-year legal case in the newly established Fair Work Australia (FWA) tribunal, ostensibly to increase the pay of social and community services workers on the basis that they were underpaid because of gender discrimination. The verdict, hailed as a triumph, in fact delivered annual pay rises of just 2.5-5 percent over nine years. The main purpose it served was to lend a sheen of credibility to Fair Work and promote the illusion that workers' struggles could be waged through the courts rather than through industrial action.

O'Neil too is a career bureaucrat. While still in her 20s, she began working for the Textile, Clothing and Footwear Union of Australia (TCFUA) in 1989, where she served as national secretary from 2009 until the union merged with the CFMEU in 2018. During her time as leader, she presided over the destruction of tens of thousands of jobs and the virtual elimination of clothing manufacture in Australia.

The reality is that the "unjust laws" McManus purportedly opposed—the draconian anti-strike Fair Work Act—were co-drafted by the ACTU and imposed by the Rudd Labor government in 2008 with the full support of the unions.

Under McManus and O'Neil, the union apparatus has not only continued to enforce these "unjust laws" but has also worked with the Albanese Labor government to strengthen the powers of the anti-worker Fair Work Commission to shut down and prevent strikes. In October 2022, McManus declared that unions "don't want to see more strikes," noting favourably that Labor's industrial relations legislation "adds more red tape" for workers seeking to strike.

While thousands of workers are voting every month in favour of industrial action, strike activity remains at historically low levels, as union bureaucracies do everything they can to keep enterprise bargaining disputes confined to behind-closed-doors negotiations with management.

When the unions are compelled by workers' anger and frustration to call strikes, they are invariably isolated to individual workplaces and frequently limited to a single day, with the intention of allowing workers to let off steam before a sellout deal is rammed through.

The COVID-19 pandemic

One of the most revealing episodes of the McManus and O'Neil era came in the early stages of the COVID-19 pandemic. McManus and the ACTU partnered with big business and the Liberal-National government of Prime Minister Scott Morrison to impose the economic costs of the pandemic on the working class.

The ACTU pushed through changes to industrial awards affecting 2.5 million workers—without any consultation with those workers—allowing employers to slash penalty rates, overtime pay and other working conditions.

In almost daily discussions with Morrison and "best friend forever" Porter, McManus helped craft the JobKeeper program. Under the guise of preventing job losses, the scheme handed almost $90 billion to employers, even those that continued to operate profitably, while allowing them to slash workers' hours to keep wages at the level of the $1,500 per fortnight subsidy.

While millions of workers were sacked or had their wages and conditions slashed, the union apparatus ensured that those who kept their jobs continued to work throughout the pandemic, often in close quarters, without adequate ventilation or protective equipment, endangering their health and lives.

The role played by McManus and the union apparatus in this period was not only to shore up the profits of big business, but to leap in and save the hated Morrison government under conditions of an unprecedented global crisis.

The overnight thrusting of millions of workers into unemployment brought with it the potential for an eruption in the class struggle. McManus and the unions provided an essential service for the ruling elite by ensuring that no such struggle erupted, including through explicit no-strike deals with employers and by delaying enterprise bargaining so that workers had no legal right to strike.

The fact that McManus and O'Neil were willing to work so closely with the widely detested right-wing Morrison government was revealing—this was an ACTU leadership that would collaborate with even the devil himself.

This was summed up in McManus's promise to employers that, "You can get everything you want through cooperation."

The ACTU and the Albanese Labor government

Historically, the key role in suppressing opposition among Australian workers has been played by the union apparatus. The ACTU, functioning as a de facto wing of government, has enforced the dictates of big business and the capitalist state and kept the working class politically tied to the unions and to the draconian industrial relations framework. It has been this role that McManus and O'Neill have been instrumental in carrying out.

Since taking office in May 2022, the union-backed Labor government of Anthony Albanese has presided over a massive attack on the living conditions of the working class. Together with its state counterparts, it has slashed public sector wages, spearheading a broader assault. While the cost of living has officially increased by 16.7 percent, public sector wages have risen by just 13.7 percent, and private sector pay by 14.5 percent, meaning significant wage cuts in real terms.

This would not have been possible without the aid of the trade unions. In one dispute after another involving health workers, educators, rail workers and other parts of the public sector workforce, unions have shut down or entirely prevented strikes, or mired workers in protracted dead-end court proceedings, to impose Labor's punitive wage policies over strong opposition.

Throughout Albanese's term, the ACTU has not only endorsed, but celebrated, successive real-wage cuts for low-income workers through the

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Fair Work Commission's annual wage review. The peak union body has repeatedly promoted Labor's fraudulent claims to be driving wage growth.

The ACTU has covered over both the social impact of soaring inflation, but also the Albanese government's role in exacerbating it through its support for the ongoing wars against Russia and Iran.

Most recently, the ACTU declared its full-throated support for Labor's war and austerity budget, which contains over $60 billion in cuts to social spending. These include the evisceration of the National Disability Insurance Scheme (NDIS), which will mean hundreds of thousands of people with disabilities are stripped of all care, while similar numbers will receive only the most basic assistance necessary to sustain life.

In August 2024, McManus actively assisted the Albanese Labor government in placing the construction division of the CFMEU under administration, a form of state dictatorship over the union, which was never about stamping out corruption, but aimed at driving down wages and conditions in the building industry and bringing a historically militant section of the working class under government control.

The ACTU was involved from the outset in the unprecedented attack, in which at least 270 CFMEU officials and organisers were immediately sacked and 80,000 building workers were disenfranchised. Within days of vague and unsubstantiated allegations of corruption and links to organised crime inside the CFMEU appearing in the media, McManus gave a press conference endorsing Labor's administration plan.

After tens of thousands of workers took to the streets to protest the imposition of administration, many criticising the ACTU's role and denouncing McManus as a scab, the nation's top bureaucrat doubled down, posting a video in which she uncritically repeated the corporate media's allegations and reaffirmed her support for the neutering of the building union.

The ACTU's role in smashing up the CFMEU showed that, for McManus and O'Neil, nothing was sacred. Faced with the choice between the demands of big business and defending a section of their own apparatus and the right of workers to organise, they chose state repression on behalf of the corporate elite.

Conclusion

Far from being an aberration, McManus and O'Neil are only the latest leaders to preside over a union apparatus whose interests are completely divorced from those of the working class.

This began with the Accords implemented by the Hawke and Keating Labor governments and the ACTU between 1983 and 1996. These brought the closure of wide sections of manufacturing, car production and clothing industries, resulting in the destruction of hundreds of thousands of jobs and the imposition of harsh cuts to real wages and working conditions, as well as the introduction of enterprise bargaining and the limitation of strikes to bargaining periods. The Accords also enshrined the relationship of the union bureaucracies with finance capital through the introduction of compulsory superannuation.

This was a critical turning point in the transformation of the unions from organisations that had previously sought limited gains for workers into agents of endless corporate cost-cutting and restructuring aimed at driving up profits of "Australian" businesses to make them "internationally competitive."

Workers can harbour no illusions in whichever bureaucrats are selected to replace McManus and O'Neil. Whoever replaces them in the top jobs will only continue and deepen the ACTU's role as chief enforcer of the assault on the working class. But they will not do so without opposition.

The attack on the CFMEU was one distorted expression of ruling class concerns that the mechanisms union bureaucracies have used to suppress the class struggle for decades are no longer fit for purpose.

This is currently on display in the Victorian teachers' dispute, in which educators have repeatedly voted down sellout deals between the Australian Education Union (AEU) and the state Labor government, the first time in decades teachers have rejected a union-endorsed offer. This opposition finally compelled the AEU leadership to hold a second strike last week, and there are growing calls for a third.

There is growing opposition in the working class, both to the program of austerity and war that Labor is seeking to impose and to the union apparatus upon which it relies. The critical question is how this opposition is politically developed, organised and led.

Workers are not just up against big business, but Labor and the union bureaucracy as well. This poses the urgent need to build new organisations of struggle, democratically controlled by workers, not highly paid union officials. These rank-and-file committees must be fought for and built in every workplace, not based on reforming or advising the bureaucracy, but on destroying it and returning the power—and the vast financial resources—hoarded by the apparatus to workers themselves.

Such committees will provide the venue and means to bring together union and non-union workers, as well as youth and the unemployed, across different industries and around the world, in a unified struggle for jobs, wages, conditions and democratic rights.

What is required is not only an industrial fight but also a political one that cannot be confined within national borders. The deepening assault on working-class jobs, wages, and working and living conditions in Australia is inextricably tied to the global escalation of war, led above all by US imperialism and fully backed by Labor and the entire political establishment. This makes it necessary to build an international movement of workers and youth directed against capitalism, the source of war, exploitation and inequality.

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