

Legislation allows cosy work deals to flourish

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Most of the younger Labor politicians, including Bill Shorten, who were union officials never worked in any of the occupations their unions cover. Picture: Kym Smith Source: News Corp Australia

It was a throw-away line from a Fairfax Media journalist: “It is common for companies to make payments to unions for training.” But why would a company pay unions for training? Is it because unions provide the best workplace training in town and at the best rates?

As one of my friends always advises me: follow the money. To understand the bigger picture of the series of revelations in which the Australian Workers Union has effectively sold workers down the river in order to secure members, financial kickbacks and political influence, it is wise advice. And don’t think for one moment it is just the AWU that is up to these shenanigans. The Shop, Distributive and Allied Employees Association — the SDA or Shoppies — has been doing it for years.

But the real point that has to be understood is that there is a range of parties that have to go along with this protection racket, lest the whole arrangement fall apart. Without accommodative legislation, the cosy deals would soon disappear and workers and employers would simply come to mutually satisfactory terms of engagement and ongoing employment. And without a compliant Fair Work Commission, the members of which regularly turn a blind eye to the most egregiously oppressive and anti-competitive deals, the game would be over.

Let us not forget union membership now accounts for only 17 per cent of the total workforce and 13 per cent in the private sector. The rate of unionisation has been in effective free-fall for years.

But here’s the conundrum: how can it be that an organisational movement that is increasingly shunned by workers can be so influential? And how is it that some employers regard it as perfectly rational, albeit possibly unethical, to pay unions to agree to deals that dud workers without their knowledge? (Of course, the icing on the cake for these compliant employers is the common concession made by the union that equivalent deals will not be offered to their competitors. That’s worth a bob or two.)

The theme of the answer has much in common with that well-known phrase “the long march through the institutions”, commonly ascribed to Antonio Gramsci. It was actually written by left-wing activist Rudi Dutschke. The central idea is that the way to create lasting radical economic and social change is to infiltrate government and its agencies. Rather than organise demonstrations, foment discontent and reject official positions and funding, the alternative is to become an integral part of the machinery of power and to work from within.

This requires planning. Most of the younger Labor politicians who were previously union officials never worked in any of the occupations their unions cover. Bill Shorten never had a job covered by the AWU, Richard Marles had never been a transport worker (he briefly worked for the Transport Workers Union), Mark Butler never had a job covered by United Voice. And the list goes on. For these people — mainly men — the union is just a convenient stepping stone in their pursuit of political office. From a superior school education, to - university, to a short stint in professional employment — a Labor-affiliated law firm is convenient — to a suitable union, to a safe Labor seat.

The other career route for union officials is public office, with the preferred destination the Fair Work Commission. The pay is extraordinarily good, the retirement benefits are extremely generous and the job is for life. Who can beat that?

Was it any surprise that the Rudd-Gillard-Rudd governments took the opportunity to further - infiltrate the FWC with their union buddies, as well as other friends? Just how handy was it that the ACTU could ditch its national secretary and the next minute he pops up as a presidential member of the FWC? No hurt feelings, I guess.

Why doesn't the Coalition put an end to this scam, you ask? In fact, the Coalition is part of it, to a lesser extent. An appointment or two might be made to the FWC from the ranks of the employer associations. But the trouble is that these employer associations are in on the swindle, too.

Without doubt, some of the worst industrial relations advice emanates from employer associations, which are often very keen to do sweetheart deals between employers and unions at the expense of workers and job security. Of course, the underlining legislation has to accommodate the deal-making. In fact, the unions' objections to WorkChoices had much more to do with the promotion of individual bargaining than the possibility of workers being duded. (Real wages grew strongly when WorkChoices was in force.)

Without mandated collective bargaining, the scope for unions and employers to do deals behind the backs of workers that benefit the unions (think kickbacks, phantom members) and employers (lower labour costs, less disruption) is much more limited.

And here's a further part of the con, as long as the enterprise bargaining agreement is signed by the union and a majority of the workers who vote approve the agreement (on the recommendation of the union, generally), the member of the FWC assigned to the task simply rubber-stamps it.

The contrast with a non-union agreement could not be starker. In those instances, witnesses are called, the terms of the agreement are vetted to make sure the “better-off overall” test is met, revisions are often required — it is effectively a different set of rules. But that's what happens when the march through the institutions, in this case the FWC, has been achieved. And there's another “plus” for the trade unions of having their people in high office. When Shorten attains ministerial office, he goes about making life very difficult for independent contractors. (Unions can't bear independent contractors; they won't join unions.) He instructs the Australian Tax Office to reject applications for Australian Business Numbers. He tweaks the rules and regulations that apply to contractors.

And voila, the number of independent contractors begins to shrink dramatically. Just take a look at the figures. Between 2010 and 2012, the number of independent contractors fell by over 130,000. Over the same time, the number of employees rose by 270,000. Independent contractors fell from 10 per cent of the workforce in 2010 to less than 8 per cent two years later. And the list of examples goes on and on. As a minister, Mark Butler organised a \$1 billion wage fund, courtesy of the taxpayer, to help United Voice recruit more members among the aged-care workforce and pay some select workers a premium. Ditto the wage fund for childcare workers — thanks Kate Ellis.

As a minister, Anthony Albanese created the Road Safety Remuneration Tribunal as a gift to the TWU and introduced shipping “reforms” in line with the requests of the Maritime Union of Australia. Recruiting paying union members is such hard work compared with obliging Labor politicians doing the unions’ bidding.

The march has succeeded, even if consumers are harmed, taxpayers are duded, workers are let down and the economy is made less competitive and prosperous. Many media outlets, particularly the ABC and Fairfax Media, have been only too happy to march in step. It’s about time we all woke up to what’s been happening.

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