

Dinosaur unions shown up by pro-worker breakaway associations

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Why has corruption flourished in some trade unions? In his attempt to wound royal commissioner Dyson Heydon, counsel for the ACTU Robert Newlinds inadvertently provided the answer.

He stated: “Had the work of the commission not been so politically charged, then perhaps an agreement to speak at a party political event during the course of a royal commission would create no real problem.”

Setting aside Newlinds’s minor error — Heydon, in fact, did not agree to speak during the course of the commission — Newlinds’s major error was to fail to understand why the commission into trade union corruption is “politically charged”. It is so charged because the ALP is, in part, the political instrument of the trade union movement. The act of accepting money from his union members’ employer for his public election campaign makes Bill Shorten one reason for the politically charged circumstance of the commission. Shorten’s actions are the embodiment of the ALP’s dilemmas and no amount of blackguarding the commissioner can solve them.

The dilemmas are that Labor-affiliated unions fund ALP campaigns. As a consequence of union power over the ALP, the ALP has an incentive to interfere directly in union affairs. You bet it’s politically charged.

Too much trade union energy is spent on their leaders’ political ambitions, not their members, and they bat for one side of politics (although the Greens are beginning to siphon some funds). Trade unions are the dinosaurs of our political and industrial life. Their campaign on the Australia-China free trade agreement proves it.

Even among affiliated and fellow-travelling unions their members are not all Labor voters. Indeed, their members are often members under sufferance because there is no alternative representation.

Government has granted trade unions (and industry associations) privileged positions in the industrial relations market. They have few competitors.

Heydon, who will assuredly remain to complete his task, should seek to establish a framework for less corrupt union behaviour by encouraging competition for member services. The commission should highlight the need for competition among services for workers, not simply “transparency” for existing players.

The commission may look to Queensland for two case studies in competitive trade unionism: the Emergency Medical Services Protection Association and the Nurses Professional Association of Queensland.

Two union organisers dissatisfied with the union United Voice established the Emergency Medical Services Protection Association to represent ambulance officers. One of those delegates, Sid Cramp, is now the Liberal National Party member for Gaven in the Gold Coast hinterland.

EMSPA is a professional association rather than a trade union, but it does the job of a trade union. A group of nurses led by Anne Vigar, disappointed with the Queensland Nurses Union, established the Nurses Professional Association of Queensland, which markets as “a professional association instead of a union”. I am an honorary member of its advisory panel.

It is not a registered union but provides the services of a union. It is a membership association that is organised like a local club and it buys representation services. Unlike QNU, NPAQ is apolitical.

Nurses need professional indemnity insurance, legal backup and help with bargaining. It is these and other services that should be offered in competition to existing unions.

Dinosaur unions are motivated not to do “good” but to ensure that workplace culture is eroded. NPAQ is discovering workplace arrangements that the union has agreed to that are unfair and remain a constant irritation for the employees.

Unfortunately, most members do not see the union complicity in these “bad” arrangements and just blame management. Management is not blameless but it is used to playing tag with the same old union players.

Dinosaur unions have perverse incentives to never fix problems, to never deliver good wage negotiation outcomes and never set up arrangements that will prevent problems in the future.

For the first time alternative employee organisations are getting involved in negotiating enterprise bargaining agreements.

The goal of alternative unions, associations of like-minded employees that wish to buy representation services, is to remove ideology from the remuneration package and let nurses, and ambulance workers, and in time any worker, decide how they should receive their remuneration; for example, the right to cash up holiday pay and sick leave.

ALP, Green and independent senators who voted against the reinstatement of the Australian Building and Construction Commission voted to prolong corruption. They should be ashamed.

The commission should note that alternative associations may also play their part to stamp out corruption.