

# Australian unions back Labor government's “productivity” agenda

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Following the Australian federal election on May 21, the country's trade unions have trumpeted the Labor Party's victory as a win for workers. Nothing could be further from the truth.

Australian Council of Trade Unions (ACTU) secretary Sally McManus set the line, declaring on election night: “[Labor] have won this election by standing up for the basic rights of workers.”

The elation extends throughout the union bureaucracy, including those wings heralded as “militant” by the pseudo-left groups that falsely include “socialist” in their names. Maritime Union of Australia (MUA) national secretary Paddy Crumlin welcomed the beginning of “a new era of cooperation and industry advancement.”

What the MUA and all the other unions intend to “advance” is not the interests of workers, but the demands of big business and the Labor government for increased productivity and profits. They will intensify their efforts to suppress wages struggles by workers, even more than they have over the past four decades.

With inflation soaring out of control globally, the unions are propagating the fraud that Labor's election win will see increased real wages and resolve the cost-of-living crisis. The fact is that the Albanese government is preparing a stepped-up assault on the working class. It is already backtracking on the very limited promises it made to workers during the campaign.

On May 22, even before being sworn into office, Treasurer Jim Chalmers declared that “sacrifices” were needed in order to repair a “dire” budget situation left by the outgoing Liberal-National government.

Workers have been making sacrifices for decades! Real (non-farm) labour costs have fallen by almost 23 percent since 1983, when the Hawke-Keating Labor government took office. Over the same period, the share of national income going to profits has soared to a record high of 31.1 percent. The COVID-19 pandemic sharply accelerated this trend, with labour costs declining 5.3 percent since December 2019, including a 2.3 percent drop in the March 2022 quarter alone.

Last Friday, the government made a submission to the annual minimum wage review by the Fair Work Commission, a pro-business tribunal created by the last Labor government. As

Albanese had promised big business during the election campaign, the submission did not recommend a specific increase for low-paid workers, and made clear that the government opposed “across-the-board” wage rises to match inflation.

Well before the election, Albanese said any wage rises must come from increased “labour productivity”—that is, through increased output, and therefore profits—and the slashing of jobs and conditions.

This tying of wages to productivity is a pro-business fraud. Over the past 20 years, productivity growth has consistently outpaced wage increases, policed by the unions.

Albanese's government is collaborating closely with the unions to devise new methods of extracting still greater wealth from the working class. It seeks to finance a major escalation in military spending in preparation for war against China, and make workers pay for the billions of dollars in bailouts handed over to big business during the COVID-19 pandemic.

To reinforce this partnership, the government is planning a government-employer-union “jobs summit.” Without a shred of discussion with their members, the union bureaucrats have signed on.

The central focus of the summit will be a sweeping pro-business restructuring of the economy and a bolstering of the enterprise bargaining system, which ties workers to the profits of their employers and outlaws industrial action outside union-controlled “bargaining periods.”

Reflecting the unions' unity ticket with the major employers, McManus told the *Weekend Australian* that “everyone agrees there's a big problem” with the system.

For the unions, the chief concern is that decades of ramming through regressive enterprise agreements (EA), allowing a vast growth in casual, labour-hire and gig-economy jobs, has shattered their memberships and increasingly cut them out of the bargaining process. They are seeking industry-wide bargaining, which would give them automatic coverage over entire sections of workers.

The proposed model for this “new era of cooperation and collaboration” are the Prices and Income Accords struck between the Hawke and Keating Labor governments and the unions from 1983 to 1996.

Throughout that period, the unions helped Labor prosecute the regressive “free market” agenda that Margaret Thatcher and Ronald Reagan imposed in Britain and the US. This featured the suppression of workers’ opposition to major privatisations, pro-market restructuring and the destruction of jobs and working conditions.

In her *Weekend Australian* interview, McManus alluded to the stepped-up collaboration between the unions and the Liberal-National government during the COVID-19 pandemic. McManus said former Prime Minister Scott Morrison was “at his best... when he introduced JobKeeper because he listened to more voices than just the business lobby.”

The JobKeeper scheme was devised by a de facto partnership of the ACTU and Morrison’s government to hand over massive bailouts to big business and tie workers to their employers, who slashed working hours and conditions. Many workers received a fraction of their normal pay, while still producing profits for corporations whose wage bills were covered by the scheme.

Throughout the pandemic, the unions have enforced the demands of big business and government for workers to remain on the job despite the danger to their health and lives, allowing the spread of the virus. Unions deferred countless EA negotiations, freezing wages and preventing workers from legally taking strike action.

Having been elected with less than one third of the national primary vote, and its vote falling further in working-class areas, the Labor government is relying heavily on the unions to suppress workers’ struggles against its corporate agenda.

The union bureaucracy is equally aware of its own dwindling support, the product of betraying workers for decades. Just 14.3 percent of workers are union members, compared to 45.6 percent in 1986.

With a disintegrating base of support, Labor and the unions face a working class that is beginning to enter into struggle. Over the past year, tens of thousands of nurses and other health workers, along with teachers, and workers in transport, warehousing, manufacturing, universities and other sectors, have taken strike action, in many cases for the first time in decades.

For years, the unions have shut down industrial action in the lead-up to elections, in order to show the ruling class that Labor and the bureaucracy were best qualified to keep the working class under control.

This year, however, the pent-up anger of workers was such that the unions felt compelled to go ahead with strikes. Unable to shut down the industrial action, the unions sought to turn the strikes into Labor campaign rallies, trying to promote illusions that the desperate circumstances of workers could be resolved at the ballot box.

A wage-cutting sellout of Victorian teachers was only narrowly approved, despite an aggressive campaign of misinformation by the Australian Education Union (AEU). Nearly 40 percent of teachers who voted cast a ballot rejecting

the deal, the largest “no” vote ever recorded against a Victorian AEU agreement.

With wages falling, prices and interest rates spiralling, and the COVID-19 pandemic continuing to rage after almost two and a half years as a result of the homicidal policies of Labor and Liberal-National governments, enforced by the unions, workers are starting to realise that they can no longer live in the same way.

No resolution to this crisis can be achieved through appeals to Labor or the unions. As their record shows, they are ruthless anti-working class apparatuses. Workers must take matters into their own hands. This requires the formation of new genuine organisations of struggle, completely independent of the unions and Labor.

Workers need to form rank-and-file committees in every workplace to plan and discuss the way forward. Through a network of these committees, workers can reach out to workers across industries, throughout the country and around the world.

In its election statement, the Socialist Equality Party (SEP) advanced a socialist program of action for workers to fight the intensifying assault on their basic social and democratic rights.

The first plank in that program demanded: “An immediate rise in all pay to compensate for past erosion. Index all wages to the current cost of living and introduce an automatic monthly cost of living adjustment to keep pace with rising expenses.”

Ultimately, what is required is a fight for a socialist perspective and the reorganisation of the economy to meet the needs of society. This includes the nationalisation under democratic workers’ control of the major industries, utilities and banks, and the expropriation of the vast wealth currently in the hands of multi-billionaires to provide a high standard of living, including a secure job with decent pay and conditions, for all workers.

This program will be at the centre of the discussion at the SEP’s online public meeting this Sunday, June 12 at 2 p.m. (AEST) to review the election outcome and the explosive class battles ahead. Register now to attend this important meeting.



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