

# *The Accord and its consequences*

*Trade union experiences*

by Jack McPhillips



\$2

S  
339.50994  
M 24 A

***The Accord  
and its consequences***



***Trade union experiences***

**by Jack McPhillips**

**President, Socialist Party of Australia**

Published by New Age Publishers Pty Ltd  
for the  
Socialist Party of Australia  
65 Campbell Street, Surry Hills, Sydney 2010  
Printed by New Age Publishers Pty Ltd

ISBN 0 908077 19 X



## Contents

	Foreword .....	4
1	The Accord serves capitalism .....	6
2	ACTU: <i>The Way Forward</i> .....	8
3	How the furnishing trades workers were robbed .....	19
4	Food preservers in firing line .....	26
5	The Clayton's pay rise .....	34
6	Waterside Workers' Federation — the left abdicates .....	39
7	Building industry superannuation — amazing & dangerous proceedings .....	43
8	Lessons of Commonwealth public servants .....	59
9	The Accord intended to continue .....	66
10	The Accord's encumbrances must go .....	71
11	Proposal for the Accord to be permanent .....	78
12	TUTA aid invoked .....	86
13	Conclusion .....	91

STATE LIBRARY  
OF VICTORIA

24 APR 1991

SOURCE

Jim Munro don

CALL No.

S

339 50994

M 24A



# FOREWORD

In 1983, three major events occurred which fundamentally changed the direction taken by the leaderships of many individual trade unions and of the ACTU. These events were the adoption of the ALP-ACTU Accord (February 1983), the Economic Summit (April 1983) held following the election of the Hawke ALP Government and the decision of the Arbitration Commission (September 1983) which adopted severe wage restricting guidelines. Both in theory and in practice, significant sections of the trade union movement adopted policies which had been consistently rejected in the previous 130 years existence of the trade union movement.

Although only two years have passed since the adoption of the Accord, its substantially negative effect on the policies of the trade union movement and on workers' living standards is already apparent.

This booklet reviews in detail the experiences of a number of trade unions — those that refused to give up their right to struggle and some that "went along" with the Accord and the wage guidelines imposed by the Arbitration Commission. Such a detailed study has not been put together before. This booklet will therefore prove invaluable for every trade union activist and every class conscious worker.

The booklet goes to press at the time when a new tax package is being prepared by the government, the cornerstone of which is the introduction of a consumption tax. Indirect taxation was described in the Accord as "regressive and inflationary".

Government leaders are talking about discounting the Consumer Price Index for price rises induced by such a consumption tax and arising from the consequence of the devaluation of the Australian dollar. In addition, an assault is being made on youth wages. The employers are demanding that wage indexation be abandoned altogether.

Taken together, these moves and the restriction on wages already brought about by the Accord constitute the greatest attack on the living standards of the working people since the Great Depression of the 1930s.

This booklet is not only an exposure of the real intentions behind the Accord but is also a call to action, a call to the Australian working class to struggle as the only guarantee that the attack of the employers will be defeated.

The situation is complicated because the attack on living standards is not only being pushed by the Liberal and National Parties but by some leaders of the ALP and the trade union movement who seem to have abandoned their commitment to the labour movement.

We remain confident, however, that those who are exploited and oppressed will always take up the struggle for their interests even though misled for a time.

The courageous struggle of the Melbourne members of the Food Preservers' Union is a confirmation of this. There are many other current signs that dissatisfaction is growing and we can say — the struggle continues.

June 1985

**P.D. Symon**  
**General Secretary**  
**Socialist Party of Australia**



## Chapter 1

# The Accord serves capitalism

The social order under which we live in Australia is "capitalism." If that social order is acceptable, as to its basis and superstructure, then the concepts on which the ACTU-ALP Accord is based and the consequences of the operation of that Accord, are acceptable.

If the social order of capitalism is to be defended, maintained and its continuation regarded as preferable and inevitable then the conceptual bases and the consequences of that Accord are acceptable.

The fact of the matter is that the concepts contained within the Accord and necessary actions flowing from those concepts are deliberately and consciously intended to maintain, strengthen and guarantee the continuation of the capitalist system.

The advocates and supporters of the Accord — wholehearted or partial, willing or hesitant — are resultantly supporting capitalism and its "inevitable" continuation and that irrespective of the intentions or declarations of individuals to the contrary.

In that position their support for the capitalist system and its continuation means support for capitalism as it is, for there is no such thing as "nice" or "just" or "equitable" capitalism. There is only capitalism based on private ownership of the means of production, distribution and exchange, and the pursuit of maximum private profit in those areas, resulting from the exploitation of labour power.

However, not all those opposed to the Accord are by reason of that opposition necessarily opposed to the capitalist system. For example, some sections of the employers express some opposition to the Accord and not even the most absurd forms of imagination could consider them as being opposed to the social order which so well serves their interests as employers and representatives of capital.

Their opposition to the Accord stems from concern at the failure of the Accord to more strictly restrict the movement of wage levels and even to the pretence of effective consultation between the government and the unions.

There are also those who oppose the Accord on certain limited grounds, e.g., the restrictions on wage levels, but who do not take their views to the point of opposing the maintenance of the system of capitalism.

The most far-reaching features of the Accord and those which will become increasingly objectionable, tie the working class and, particularly the unions, to views, policies and practices which present the unions as being, at least partially, responsible for economic disorder and instability and impose upon them a large part of the responsibility for correcting that position without disturbing the social order of capitalism and its economic system.

Those basic features of the Accord attract to its support certain main forces amongst the ranks of big business and of the media, even though they are not directly parties to the Accord.

The wage restricting profit-boosting aspects of the Accord attract even wider support from those forces. These forces place the onus on the government to ensure by its policies and supportive actions, compliance by the workers and their unions with other aspects of the Accord without observance of the procedures provided in the Accord for those purposes.

The maintenance, strengthening and continuance of the capitalist system is acceptable to the leaderships of the ALP and the ACTU, the parties to the Accord.

Hence, their publicly expressed intentions to have the Accord and its basic concepts continued beyond the present stage and into the future.

Those amongst the working class and in the leadership of the unions who accepted the Accord as a temporary means of meeting a passing crisis period and those who considered the union leadership acceptance of the Accord as some temporary aberration are due for a rude shock. So also are those who think that the present stage of economic crisis will pass and be replaced with a return to the conditions of the 1950s and 1960s.

So far as the proponents of the Accord are concerned the concepts on which it is based are here to stay and, furthermore, there is no possibility of a return to the state of affairs which marked the pre-1970 position.

These conclusions are based on documented and oral evidence and call for urgent consideration by the working class and its organised forces. But they call also for immediate rejection of the attempts to saddle the unions with a continuation of the Accord, the emphatic rejection of the "class collaboration" concepts on which the Accord is based and for the development of a strategy and tactics which will compel the necessary changes and ensure the alleviation and subsequently the solution of current and prospective economic and social problems in favour of the workers and not the forces of big business.



## Chapter 2

# ACTU: *The Way Forward*

The ACTU Executive at its meeting on 19-23 March, 1984, adopted a plan *The Way Forward* for 1984-85. This plan, apart from some publicity in the media at the time of its adoption, has so far been given little consideration by the union movement at large. Yet, it is intended to form the basis for a new, renegotiated Accord Mark II.

The original Accord was never debated by rank and file unionists. It appeared sight unseen at an ACTU Conference, February 22, 1983, on the eve of a general election, and delegates at that conference were pressured into supporting it. It was put as strongly as "a vote against the Accord is a vote against the election of a Labor government".

Many union officials still feel morally locked into the commitment that they gave at that conference when they voted for the Accord; and while they see many of the faults and problems associated with the Accord they attempt to "make the most of it" without actually opposing it.

A similar scenario could occur with Accord Mark II being either presented to a conference of unions or negotiated with a new Labor government and possibly with employers but without any such reference. The plan which contains the basis for Mark II has been sent to affiliates of the ACTU, and appears to have gone into many filing cabinets unread. Rather than wait, unions have time now to debate the Accord and its effects to date, to analyse what it has meant for workers in practice and to examine where it is likely to lead if the ACTU Executive's plan, *The Way Forward*, is adopted as the basis of the Accord Mark II.

The plan contains some additional bait beyond that in the existing Accord in areas such as women, education and the public sector. This is designed to appease groups that were either overlooked or not adequately represented in the first Accord. In addition, amongst the many pages of the woolliest and most long-winded language imaginable, there are tucked away some quite

serious proposals that in some instances represent a significant shift away from previous ACTU policy

The ACTU Executive's document lists a number of issues which have been recently "identified" as forming "the basis for the ACTU taking a number of initiatives".

The issues listed cover (in the main) the best interests of the workers and are (again in the main) reflecting long-standing policies of the ACTU. Some of those issues are matters on which the ALP has adopted policies and most of them were to one extent or another matters referred to in the ALP election policy speech delivered by the now Prime Minister, R J Hawke in February 1983. So they are not newly discovered or lately identified issues concerning the workers. Above all they did not arise as a consequence of the Accord. Indeed, the Accord was not in any way required for the purpose of bringing the issues forward. They existed, and the working class movement had policies in relation to them, before the existence of the Accord and irrespective of the Accord.

Nonetheless, the reiteration of those issues in the ACTU document is a positive feature of an otherwise suspect document, at least as to its purpose and intent.

### Action strictly limited

The initiatives which the ACTU is to take in relation to the issues "identified" do not include any form of mobilising the organised strength of the unions or the workers at workplace level for the purpose of ensuring the successful pursuance of the issues and to defend the government against hostile forces for legislative and administrative action taken to satisfy those issues.

In fact there is no reference throughout the document to any role for the workers and only a limited and supportive role for the unions.

A section of the document headed *The Means of Implementing the Policies* refers to "actions" but these are merely of an organisational character. This section refers to "involvement of unions with the ACTU; maximum degree of membership understanding and commitment" (*it is not clear to what*); "organising negotiating groups with the government; organising seminars on the Accord; organise publicity on the Accord; request the government to generate the maximum degree of information about the Accord; call meetings of unions as required."

From this it is clear that the "actions" are intended by the ACTU Executive to be solely of a routine character and that the "initiatives" in relation to the issues "identified" are to be left mainly, if not solely, with the ACTU Executive.

It is not clear that it is intended that the Accord is to be of long duration. (More on this later.)



Such limited concepts of initiatives and actions as are used for the ACTU document ignore the long established lesson based on the practical experiences of the trade union movement that the strength of the workers is determined by their capacity for organised action at all levels and not merely by the brilliant intellectual capacity of their leaders and hired functionaries even if that brilliance were manifest.

Having in mind the real nature and the extensive character of the issues confronting the workers and the class conflict between capital and labour, the absence from the ACTU document of any concept of action involving the workers themselves reflects a lack of seriousness by the ACTU leadership in relation to the issues which they have "identified".

This state of affairs is reflected in the document's reiteration of the fundamental concepts on which the Accord is based and the expressed intention by several forces in the labour movement to perpetuate the Accord.

In our submission there is good reason for the conclusion that the perpetuation of the Accord and reaffirmation of adherence by the unions to the class collaboration concepts on which the Accord is based, is a main reason for the adoption and publication of the ACTU document.

### **Increased profits an aim of the Accord**

The main aims of the Accord have been acknowledged as including restriction of wages; increased profits; improved investment conditions, that is, an economic climate favouring even further private profit making.

In the publication *The Crisis, the Accord and Summit Communique* issued by the Socialist Party of Australia (SPA) in November 1983, we referred to several speeches by ACTU officers at the National Economic Summit Conference convened by the Hawke Labor Government in April 1983. Among those references was the following from ACTU Secretary, W Kelty in connection with what he called "policies" of the Accord: "... the policies are committed to increase employment and growth. We recognise that increased employment demands an increase in the economic fortunes of a substantial number of corporations in this country. Let me say to those employers who sometimes misunderstand the perceptions of the trade union movement that we accept that enterprises need to make a profit and, in the current environment, may require profit increases to establish increased employment."

This concern for higher corporate profits and its achievement by restraining the price paid by those corporations for labour power — wages — is at the very basis of the Accord and is boasted about by main spokesmen for the Hawke Labor Government as their "economic strategy". While some areas of business continue to show suppressed profit levels — a result of economic crisis factors, e.g., lowered world price levels of certain metals, ores and some "commodities" — there has been a substantial increase in the general level of corporate profits.

This is accompanied by a sharp lowering of the rate of increase in wage levels. We quote two recent sources of information on this phenomena

### **Willis' strange boast**

On May 17, 1984 the Minister for Employment and Industrial Relations, the Honorable Ralph Willis, addressed the Sydney Chamber of Commerce on the economy. He complained about those who doubted the extent and nature of economic recovery and condemned what he called "doomsayers". He then went on to say:

"It is a cause of great satisfaction to the government that in the 14 months it has been in office it has dramatically reversed the trend of the Australian economy. We inherited an economy that was in the worst shape for 50 years but in a little over a year we have generated a spectacular economic recovery."

US President Reagan is able to boast of having done the same for the American economy.

Thus, if Ralph Willis' claim in relation to the Hawke Government's achievements in relation to the Australian economy is valid so also is Reagan's claim in relation to the achievement of his administration concerning the US economy.

So the anti-working class arch-felon Reagan and Ralph Willis, a leading minister in the Australian Labor Government can each boast of having rescued the capitalist economy of their respective countries and this without in any way disturbing the profit making processes and privileges of their country's transnational corporations.

In his speech to the Sydney Chamber of Commerce, Mr Willis went on to refer to a substantial real growth in Gross Domestic Product (GDP), saying: "Such growth rates are the highest in any Western country."

He referred to nearly a quarter of a million increase in the number of people employed during the past year and to a drop in the number of people in Australia unemployed.

At this stage of his speech he managed to avoid any reference to the near 700,000 still unemployed or to the nearly equal number of "hidden" unemployed. This omission by the minister may have been intended to avoid smudging the otherwise brightly coloured picture of the economy he was painting. Later in his speech he made short reference "to the horrendous and persistently high unemployment rate".

Mr Willis drew attention to the lower rate of inflation, that is, prices still rising but at a lower rate, and then said:

"Given that the increase in the CPI is likely to be less than one per cent in the first six months of this year, the increase in award wages over the course



of 1984 is likely to be about five to 5.5 per cent. This is comparable to the outcome during 1983 and is a striking improvement on the increase of 11 per cent over the course of 1982."

So the minister is able to boast that in line with the aims and purposes of the Accord award wage increases have slowed down.

Mr Willis went on: "Real unit labour costs have therefore also fallen sharply. Since the peak associated with the wages explosion under the previous government, the real unit labour cost index has declined from 109 in September 1982 to 101 in December 1983. By the end of this year real unit labour costs should be back to the level of the late 60s and early 70s."

So in line with the aims of the Accord employers are paying less per unit of labour they employ.

### Metal trades wage increases criticised

But more than that, the minister in a Labor government, most closely associated with matters directly affecting workers and their unions, is able to speak critically of the wage increases obtained in 1981 and 1982 — the so-called Metal Trades Standard — to refer to those increases as "a wage explosion" which he considers to be detrimental to the nation's economy and to denounce the previously existing anti-Labor government for having allowed that "wages explosion" to have occurred.

Obviously, Mr Willis is not going to allow such wage increases to occur and the Accord is the means by which that end will be achieved.

Of course, Mr Willis did not mention that such a "wages explosion", as he terms it, occurred also in 1974-75 when a Labor government of which he was a member was in office.

The workers who received the wage increases in 1974-75 and 1981-82 did not have the jaundiced view of them as does Mr Willis and neither did the ACTU or the Arbitration tribunals.

The ACTU supported the unions in a veritable scramble to obtain the increases and the Arbitration tribunals nearly automatically wrote the increases into awards.

Mr Willis' language is the language of every anti-labour force in the country and rings strange coming from a man formerly employed as the ACTU wages advocate.

### Willis proud of increased profits

But his speech did not end with expressions of gleeful satisfaction at the decline in the cost of labour to the employers. He went on to say: "Associated with this tremendous turn-around of the economy there has been a significant rise in corporate profits and lower interest rates. Over the year to the

December quarter 1983, the gross operating surplus of trading enterprises increased by 38 per cent. (Note: That figure is now much higher.)

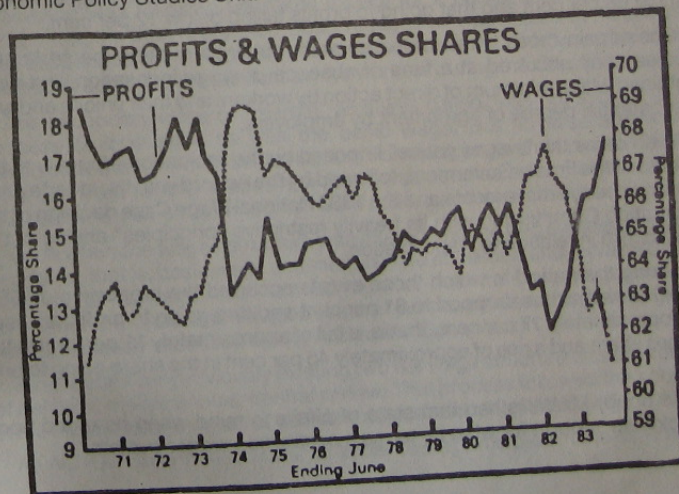
"The profit share of national income has risen from 11.8 per cent in the September quarter of 1982 to 15.5 per cent last December."

During his speech Mr Willis referred several times to the reduction of labour costs and the accompanying increase in profit levels and to the government's so-called "prices-incomes policy" and that policy's central point, the Accord, as being responsible for each of these developments which are contrary to the interests of the workers.

What we have quoted and other sections of his speech to an audience of employers and representatives of business, show Mr Willis inordinately proud of how he and his government colleagues are successfully managing Australia's capitalist economy in the interests of the profit-mongers at the expense of the workers.

If the capitalist system is to be supported, maintained and continued, and Mr Willis is obviously of the view that it should be, then the pursuit of profit at the expense of wages is an inevitable consequence. Given the continuance of the capitalist system without extensive interference with that system's private profit making processes, those contrary results are inevitable.

The accompanying graph clearly depicts the point we make. It was published in the Australian *Financial Review*, (13/6/84) and accompanied a feature article on the present economic situation prepared by that paper's Economic Policy Studies Unit.





## Profits share up — wage share down

This graph shows that at the beginning of the 1970s the percentage share of non-farm Gross Domestic Product (GDP) going to wages, salaries and supplements was approximately 62 per cent and that going to profits was approximately 19 per cent. At June 1983 the respective percentages were — approximately — 61 and 19 per cent.

In the intervening period they moved in inverse ratios up to mid-1973 when as a result of the wage increases obtained from the end of 73 through to the end of 74, that is, the metal trades formula, the respective percentages underwent a substantial change with the share going to wages rising to over 69 per cent and that going to profits dropping to slightly more than 13 per cent. Those wage increases were obtained as a result of initial action outside the arbitration system and at a time when wage indexation had not been restored following its abandonment by the arbitration bodies in 1953. Furthermore, they were obtained with a minimum of industrial action, that is, with a substantial degree of agreement by employers.

With the reintroduction of a system of wage indexation in mid-1975 the proportion going to wages commenced to slide while the proportion going to profits underwent a rise up to approximately 1981 when the wage indexation system was again abandoned by the Australian Arbitration Commission followed by other wage fixing tribunals.

The relevant positions changed again when wage increases were obtained at the end of 1981 and mid-1982 with the proportion going to wages rising to almost 68 per cent and that going to profits falling below 12 per cent.

Once again those wage increases were obtained outside the arbitration bodies, they occurred at a time of absence of wage indexation and were obtained with a minimum of direct action by workers and their unions and with a substantial degree of agreement by employers.

Then came the "wages pause" imposed by the arbitration tribunals at the behest of the Fraser Government, followed by the Accord with its undertakings to restrict wage movements and the 1983 National Wage Case decision of the Arbitration Commission with its heavily restrictive "principles" arising out of the Accord in relation to wage fixation.

During the period in which those events occurred the proportion of GDP going to wages has dropped to 61 per cent and that going to profit has risen to approximately 17 per cent, that is, a fall of approximately 11 per cent in the wages share and a rise of approximately 45 per cent in the share going to profits.

No doubt Mr Willis had that state of affairs in mind when he urged upon employers support for what he terms a centralised wages system.

## Centralised wages system not new

It is necessary to correct a misconception which has developed in connection with what is a "centralised wages system". Some who speak on this matter refer to centralised wages systems as though they are a new phenomenon and speak as though such a system has existed in this country only during periods when wage rates have been adjusted periodically in relation to an official price index. For example, in his speech to the Chamber of Commerce, Mr Willis referred to "1974 and 1981-82 when a centralised wages system did not apply".

Mr Willis is incorrect. The two periods he refers to were periods when a system of wage indexation related to the Consumer Price Index (CPI) did not operate. But a system of centralised wage fixation has existed in varying forms, with and without wage indexation for price movements for more than 70 years.

For many years the wage structure included what was called a primary and a secondary wage. The primary portion of that structure was known as "the basic wage". This wage was fixed centrally, applied as a common sum for all workers covered by awards and for many years was adjusted periodically in relation to price indices which changed over a long period.

That process, clearly a centralised wage system, was followed by the Federal and the various State wage fixing tribunals. The Federal Arbitration Tribunal followed a process of quarterly indexing of the basic wage in accordance with the statistician's official price index for more than 30 years. That procedure was followed unbroken except for a period between 1931 and 1933 when the then Arbitration Court reduced all wage rates by 10 per cent and suspended the system of quarterly adjustments. This was the court's method of adding to the burdens on the workers during the *Great Depression*.

The secondary wage or "margin" as it was called, was not subject to the process of indexation as was the basic wage. But its assessment was associated with a form of centralisation. For many years and up until 1967 the "margin" fixed for the "tradesman fitter" was used as a form of benchmark and practically all other "margins" were related to that of the fitter.

Even when the wages structure was altered and the two separately assessed rates, that is, basic wage and margin were abolished and replaced by the "total wage" concept which lumped together both the basic wage and margin, a form of "centralised wages system" was continued and the total wage was periodically assessed by the Arbitration Commission.

Before 1967 the previously existing two tier wage structure was the subject of periodic, mainly annual, central review. That process followed the abolition of the 30 year long process of quarterly adjustment of the basic wage in 1953.

As ACTU Industrial Advocate, Mr Willis was a participant in the centralised



system of periodic review of the total wage. So the talk of a centralised wages system as being new or existing only in periods of wage indexation is incorrect.

However, as Mr Willis reveals in his speech to the Chamber of Commerce there is something quite new in the presently existing centralised wage system, and that is the abandonment by the unions of any wage claims outside the six-monthly review of wage rates confined to indexation in relation to the CPI, periodical consideration of wage rates in the light of national productivity and some other restricted grounds of limited value and all subject to strict supervision by the Arbitration tribunals.

In his speech Mr Willis referred critically to policies in relation to the economy followed by previous governments and said: "One of the central problems has been that these policies failed to focus directly on the conflict over shares of income which is at the heart of the inflation problems. The prices and incomes policy fills that gap." And, as we are so often reminded, the Accord is the basis of the prices and incomes policy of the government.

### **Accord commended to employers**

Commending to his audience the Accord as reflecting their own interests and the interests of the employing organisations they represented, Mr Willis said: "Australian experience during the last decade suggests that abandonment of the centralised system results in much greater instability and faster increases in labour costs than the present system. You only need to recall 1974 and 1981-82 when a centralised wages system did not apply, to come to this conclusion.

"Further, one of the key features of the new system is the no-extra-claims commitment which must be given by every union before it can be given a national wage rise. This commitment applies to both award and over-award payments. It is this commitment which ensures that the centralised system does not merely establish a floor on which individual unions can seek to build a further round of pay increases."

This friendly advice from Mr Willis to the employers on the substantial advantage to them of the Accord and the form and content of the centralised wages system introduced by the Australian Arbitration Commission which arose out of the Accord, echoes an almost solemn warning issued to the employers by the former Waterside Workers Federation (WWF) General Secretary, C Fitzgibbon, in a speech he made to the National Economic Summit Conference in April 1983. In that speech, made when the Accord was less than two months old and six months before the Arbitration Commission's September 1983 national wage decision, Mr Fitzgibbon said:

"I ask those delegates who are employers and businessmen whether they can afford, as users of labour, not to return to a centralised wage fixing system. First, let us understand what is meant by a centralised wage fixing sys-

tem as proposed. The ACTU means a system by which one centralised authority determines a wage case for all workers covered by Federal determinations. The determination is then applied to all — no more, no less." (*National Economic Summit Conference Documents and Proceedings Volume 2 Record of Proceedings pp 55-58.*)

From all this it is clear that despite the ill-informed and really unintended opposition to the Accord expressed by some sections of the employers and their spokesmen the Accord is intended to, and has in fact, assisted capital in its inevitable and continuing contest with labour over the division of the results of economic activity.

For those who confine their concepts of social development to acceptance of the system of capitalism, its maintenance and desirable continuation, the Accord, its basic concepts and its consequences and the position we have outlined and the views we have recorded by Industrial Relations Minister Ralph Willis, the former wharfies union General Secretary, C Fitzgibbon and other ALP and union leaders who support and advocate the Accord and its bases, are not to be complained against.

That situation is amongst the inevitable consequences of the Accord and the concepts on which it is based. Acceptance of the system of capitalism means acceptance of the rights of capital as such and acceptance of the position of labour as a subsidiary force with rights restricted to that limited position.

It means acceptance of the right of capital to exploit labour for the purpose of private profit making. That is not, and under capitalism, cannot be a qualified right. Hence acceptance of capitalism means acceptance of limiting the rights of labour to ensure the profit making rights of capital.

That is the main purpose of the Accord and the concepts on which it is based.

Minister for Industrial Relations, Ralph Willis, and the main leaders of the ACTU are amongst those who have accepted those concepts.

### **Accord's concepts are for class collaboration**

The capitalist system proceeds on the basis of certain laws. These are basic to the system and cannot be set aside. Their operation is not affected by personal charisma, rhetoric or personal desires.

No matter the extent of reforms the basis of the system is not affected except where reform is an integral part of the process of abolishing the capitalist system and replacing it with a socialist system.

Those changes are achievable only in opposition to the capitalists and those who support the system. In that process "consensus", co-operation and tripartite conferencing have no part except to the extent to which they are necessary to achieve those changes



Because wage rates and working conditions determine to a major extent, workers' living standards, they are of immediate importance to workers. In those circumstances there has been a not unnatural emphasis given to the effect of the Accord on the level of wages.

This is undoubtedly an important aspect of the Accord and we have devoted space here to emphasise the issue of wage rates and the Accord. However, the Accord's wage restriction aspects are by no means the sole or even the main aspects of that document or other documents and events associated with it.

The Socialist Party of Australia has long since declared that "the Accord is a fraud" and that it is a vehicle for class collaboration, that is, facilitating collaboration between employers and workers, which strengthens the employers in the inevitable conflict between capital and labour.

In that process of collaboration it is intended to increase profit levels and restrict wage levels as is made clear in the statements of Mr Willis.

But it is also intended to tie the workers and their unions into concepts aimed at having them act to maintain the system of capitalism. Thus the Accord is an instrument in a vital ideological struggle. Its purposes in relation to wage rates and profits are integrated with its purposes in other areas.

That contention is not based solely on a consideration of the Accord but also on the Economic Summit *Communique*, speeches made at the Summit, the terms of the 1983 and 1984 National Wage Case decisions of the Australian Arbitration Commission, certain other decisions of that tribunal, speeches by Prime Minister Hawke and several Ministers in the Labor Government and the March, 1984 decision of the ACTU Executive published under the title *ACTU: The Way Forward*.

The extent to which the above mentioned purposes are being achieved is emphasised by several events involving certain unions, the Arbitration Commission, the ACTU officials and the Hawke Government.

## Chapter 3

# How the furnishing trades workers were robbed

In what must be an unprecedented series of actions, involving Industrial Relations Minister, R Willis, the ACTU officers, certain employers' organisations and certain members of the Australian Arbitration Commission, a section of members of the Federated Furnishing Trades Society (FFTS) were "robbed" of a wage increase they won as a result of industrial actions they took early in 1984.

This penalty was imposed on them, not because of opposition by their employers to the wage increase but, for the purposes of protecting the so-called "principles" of the Accord and the Arbitration Commission's wage restricting guidelines arising out of the Accord.

The full facts of this matter have not yet been revealed by either the ACTU or the union immediately concerned despite the fact that the events and their outcome are of exceptional interest and even concern to the working class movement as a whole.

However, they emerge to a substantial extent in a decision of Mr Deputy President Keogh of the Australian Arbitration Commission given on September 21, 1984. In this decision he penalised the union and a section of its membership for their earlier bans and limitations on work in support of a wage demand, by restricting the application in the relevant award, of the April 1984 National Wage Case indexation increase of 4.1 per cent.

This series of actions commenced about February 1984 when a section of the FFTS membership imposed some bans and limitations on certain work in support of a demand for a wage increase of \$11.90 per week. That sum was a payment prescribed by the relevant award for workers, members of the Society employed in glazing work "on site" in the building industry.



The Society was pressing a long standing demand for payment of that allowance to its members employed in a section of the glazing operations carried on indoors.

This was not a new wage claim and Deputy President Keogh records the Society as having informed the commission that:

\* The Society had consistently pressed this claim from as far back as 1971;

\* By the beginning of 1983 it was being paid by private agreement with employers to approximately 1,600 of the 1,800 "flat glass workers". So the claim made early in 1984 was on behalf of a mere handful of workers.

A very vigorous campaign by the workers concerned resulted in the employers agreeing to make the payment to those not already receiving it.

That, by no means unprecedented state of affairs, let loose a totally unprecedented series of actions directed at the FFTS, the workers involved and, the employers who agreed to the wage claim.

### Threats and wage increase withdrawn

Members of the Federated Ironworkers Association (FIA) employed in somewhat related occupations, namely metal window frame making, demanded a "flow-on" to them of the glazing workers \$11.90.

When this demand was presented by Industrial Relations Minister Willis, the metal employer's organisation and the media as opening the way for a similar claim to be subsequently made by way of a "flow-on" on behalf of hundreds of thousands of other workers in the metal industry, thus endangering the wage restricting purposes of the Accord, Ironworkers' officials said they would not press their claim if the payment already made to the glazing workers operating indoors was withdrawn.

Industrial Relations Minister Willis condemned both the employers involved and the Society and its members. He threatened the employers with reprisals by the government through the Prices Surveillance Authority (PSA) and the Society with a special form of penal action through the Federal court under sections of the Arbitration Act. (He was to repeat this threat later in relation to the Builders' Labourers Federation (BLF) and in another form in relation to the Food Preservers' Union (FPU).)

If such threats were made by a minister in an anti-Labor government the trade union movement would be "up in arms" and the ACTU would be expected to support the workers and their organisations. But not in this case.

The precious (and specious) Accord was said to be threatened. Minister Willis called on the ACTU to act against the workers and its affiliate, the FFTS, and he did not call in vain.

Referring to some proceedings before him on April 27, 1984, in which several employers' organisations opposed the extension of the last 4.1 per cent indexation increase to one of the Society's awards on the grounds of the Society having breached its undertaking to make no wage claims outside the national wage guideline, Mr Keogh in his September 21, 1984 decision records the following:

"Further proceedings were held in the commission on 13 July, 1984 when the parties advised that, following discussions between them and representatives of the ACTU and the Federal Government, the \$11.90 claim was no longer being pursued in this industry and that, where it has been pursued with some success against a small number of companies, the money was no longer being paid."

A variety of rumours have been floated as to what happened and as already stated neither the Society nor the ACTU have stated the full facts. But, on the basis of what was printed in the news media and what Deputy President Keogh has formally and officially recorded, the glazing workers, even though only a comparatively small number, have been robbed by the ACTU and the Federal Labor Government of a wage increase which they won by traditional forms of industrial action and which the employers concerned were already paying. This is an outrage against the whole trade union movement.

### Willis and employers seek penalties

But this did not end the imposition of penalties against the Society and its members, arising from their earlier and successful bans and limitations.

The September 21, 1984 decision of Deputy President Keogh (already referred to) dealt with an application by the Society for extension of the April 1984 National Wage Case indexation wage increase of 4.1 per cent to its glazing work members. (That increase had already been extended to members of the Society employed under other awards to which the Society is a party.)

Mr Keogh's decision records ACTU Secretary Kelty speaking on behalf of the Society and informing the commission that the Society's \$11.90 claim was now being pursued under the auspices of the ACTU and that "members of the Society covered by the award (before the commission) should be entitled to the National Wage Case increase — for all practical purposes all employees had in fact been paid the increase and, therefore, the award rate should be adjusted to reflect that industrial reality".

The employers most immediately concerned did not oppose the Society's application nor Mr Kelty's submission.

However, there was opposition from other sources.

The Victorian Chamber of Manufactures opposed the increase "primarily on the basis that the Society and its members at the companies involved in the industrial action, had breached 'both its undertakings and the principles



of the commission'." (What a dreadful thing for a group of workers to do)

The Minister of Employment and Industrial Relations, R Willis, through Counsel, also opposed the claim and of course opposed the position taken by the ACTU. Counsel claimed that the workers having won \$11.90 wage increase "outside the principles", that is, the Arbitration Commission's wage restricting principles, they would, if granted the 4.1 per cent National Wage Case indexation, be given "an unfair advantage in breach of the Accord".

"This in turn," he said, "would have implications for the centralised wage fixation system, the Prices and Incomes Accord between the Federal Government and the ACTU and the Federal Government's economic policy."

These submissions on behalf of Minister Willis, and his opposition, were supported by the representative of the Confederation of Australian Industry.

### Indexation increase withheld

ACTU Secretary Kelty apparently did not share the view advanced by Counsel for Mr Willis as to the far-reaching and dire consequences of the commission confirming, by a variation to an award, a wage increase already being paid to a really small group of workers.

Judge Keogh did, and bowing to the views of the Minister and two organisations of employers said:

"I have concluded that the Society has breached its undertaking by its actions in relation to certain of its members employed under this award. Those members represent a relatively small minority of the Society's total membership in the industry. The aim was to achieve a flow-on of a benefit which employers had progressively over many years, and for whatever misguided reasons, extended to the majority of the Society's members in the industry.... I consider it would be improper to award the National Wage Case increase to those Society members who, supported by the Society itself, took actions in breach of the commitment made to the current wage fixing system.

"Accordingly I shall vary the award as sought by the Society but that variation will not apply in respect to those respondents to the award who were subjected to industrial action by the Society and its members in 1984 in support of the demand and/or who acceded to that demand in that period."

What could be the purpose of such a decision by the arbitrator?

Since the \$11.90 wage increase obtained, so it was said, outside the commission's wage restricting guidelines, was no longer being paid, thanks to the intervention of the ACTU and the Industrial Relations Minister, to the small number of workers involved in the industrial actions, the purpose could not be to relieve the employers of a wage rate considered not warranted.

Since for all practical purposes the 4.1 per cent wage indexation wage adjustment was already being paid the decision's purpose could not be to

relieve the employers of such a payment.

Its purposes were to admonish a small group of employers for having been so weak as to concede a wage increase and to teach a lesson to a small group of workers for having allegedly breached the sacred wage restricting guidelines of the commission.

But above all its aim was to reinforce one purpose of the Accord, to restrict wage levels in favour of boosting profit levels and to encourage the workers to believe that boosted profit levels for private enterprise is a boon to the workers.

### Union condemns government and ACTU

These conclusions and the description of the actions by the ACTU and government leaders are given force and validity by documents from the FFTS itself.

On 1st November, 1984, Mr L Kyriacou, Federal Secretary of the Society, addressed a letter "to secretaries of Federal unions". He was strongly critical of the Hawke Labor Government and of the ACTU leadership. He was vehement in his declarations against what he called "legislation and sanctions" and made the following points:

"Some examples of the legislation and sanctions which the government has been prepared to use against unions comes from our own experience and includes the following:

"\* Legislation to directly deregister unions (this was prepared for use against the FFTS during our \$11.90 dispute in May of this year and has recently been threatened against the BLF).

"\* Use of sections of the Conciliation and Arbitration Act to fully or partially deregister unions and give their coverage elsewhere (e.g., see S142A (2) to (11) of the Act).

"\* The use of price control legislation to penalise companies who enter into agreements with unions.

"The government has already used some or all of these sanctions against the FFTS, the BLF, and more recently, the FPU, and we believe that these are dangerous precedents which should be fought strongly by all unions." Mr Kyriacou enclosed with his letter portion of two resolutions which had been adopted by the unions' Federal Conference and forwarded to the ACTU.

To indicate the strength of the feeling of this union concerning its experiences at the hands of both the Hawke Labor Government and the ACTU leadership in relation to the Accord we quote the two resolutions in full.

The first resolution said:

"That on considering the Federal Secretary's Report, Conference expres-



ses its outright condemnation of the Federal Government for its preparedness to legislate the legitimate coverage of the FFTS out of existence as a result of the \$11.90 campaign earlier this year.

"Conference also condemns the ACTU for its complicity in the standover tactics which were used against this union.

"We declare the Hawke Government's legislation to wipe out unions to be the greatest threat to the integrity and independence of the union movement in recent years and an attempt to force all unions to become 'tame cat'.

"Conference notes that in recent weeks the Builders' Labourers Federation has been threatened in a similar fashion as we experienced and we call on the ACTU to state unequivocally its total opposition to this anti-union legislation being used on any trade union regardless of the issues involved."

The second resolution said:

"That Federal Council expresses its concern at the way the Prices and Incomes Accord is being developed and a number of serious shortcomings in the Accord which are becoming apparent.

"Our primary concern is that the lowest paid workers are being severely disadvantaged by the Accord restriction on any increase in wages. In other words, while the decision to freeze and index wages levels may not be a harsh imposition on highly organised and relatively well paid workers, a large number of workers represented by the FFTS have been locked into a continuing cycle of poverty. This is particularly the case in the manufacturing sector.

"Likewise, we consider that the union movement must seriously press the claim for the 9.1 per cent catch-up on previous partial indexation decisions which has reduced the real level of our members' wages.

"We call on the Federal Government to honour its so far unfulfilled obligations in the Accord to firstly control rising prices which are currently unchecked and secondly to fundamentally reform the Australian taxation system so that the current taxation burden is shifted from the back of lower paid workers to the affluent who can best afford to pay.

"Further, it is becoming apparent that the Accord is being developed to deprive unions of their fundamental rights to take action in support of their members as they see fit, and is, in fact, imposing collective responsibility on individual unions and making for monolithic, 'tame cat' organisations. A continuation of this policy is evident in the campaign which is being prepared to squeeze small unions out of industry.

"Federal Council also expresses the view that legislation to wipe out dissenting unions is de facto becoming part of the Accord and poses the most serious threat to the independence and integrity of the union movement in recent years.

"We call on the ACTU to reaffirm its traditional role of co-ordinator of union activity and to declare that the Accord is not a straitjacket on affiliates and that it is totally opposed to the new government sanctions of deregistration by legislation in accordance with the long-established policy of the ACTU."

These two resolutions were carried by the FFTS Federal Conference on October 18, 1984.



## Chapter 4

# Food preservers in firing line

A repeat of this outrage emerges from actions against the Food Preservers' Union (FPU).

Prior to the adoption of the Accord by the February 22, 1983, Conference of Unions, the FPU had commenced a campaign for a wage increase. The campaign, which was most vigorously opposed by the employers, succeeded and the workers won a \$16 a week wage increase.

At the 1983 Congress of the ACTU, Gail Cotton (FPU Organiser) defended the actions taken by the workers after the adoption of the Accord and "declared that the \$16 increase recently won was part of their 'catch-up' of the 9.1 per cent increase in prices which was not pressed in the ACTU national wage claim.

"After expressing these views Gail Cotton was roundly condemned by ACTU Secretary Kelty and forcefully criticised by L Carmichael (AMFSU). She was treated as though she had committed some heinous crime against the workers instead of having assisted to win a substantial wage increase for the members of her union." (*The Crisis, the Accord and Summit Communiqué* by Anna Pha and Jack McPhillips p 78)

Shortly after the ACTU Congress, the Arbitration Commission required each individual union to give an undertaking to observe its infamous wage restricting guidelines as the price for having wage rates in awards indexed upwards by 4.3 per cent — the first National Wage Case.

The FPU refused to give such an undertaking, claiming it required the union to act as a policeman on its own members.

Although the 4.3 per cent increase was not written into its awards, the union obtained that increase for its members by directly negotiating with the employers. It proceeded in the same way in relation to the 4.1 per cent increase in the second National Wage Case.

However, other unions operating in sections of the same industry, the Australian Workers' Union (AWU) and the Manufacturing Grocers' Union, "behave" themselves and gave the undertakings demanded by the Arbitration Commission and had the two increases written into their awards.

Obligated to compete for membership against these two unions in the industry, the FPU found itself disadvantaged by lower award rates than the other two unions.

That state of affairs compelled the FPU to retreat, at least temporarily, from its stand "on principle". In September 1984, it gave the undertaking demanded by the Arbitration Commission.

Shortly after that event, members of the union employed at a factory in Melbourne — Rosella Lipton (a subsidiary of the UK based, powerful transnational Unilever) — began pressing a six point claim on the company which included a demand for a five per cent wage increase "across the board".

This sent the company, the Victorian Chamber of Manufactures (VCM) and the Victorian Employers' Federation (VEF) scurrying to the Arbitration Commission asking that body to withhold the two national wage increases from the union's award.

### ACTU as a policeman

The commissioner dealing with the matter did not grant the employers' application. Instead, he scolded the applicant company for having paid the two national wage increases even though the award had not been varied to include those increases and for having increased "the afternoon shift loading". The commissioner then granted a seemingly strange request by the VCM. This was for "the matter" — that is, the actions of the union and its members — to be reported to the ACTU.

Thus the actions of the ACTU in relation to the Accord and in particular its opposition to wage claims outside those permitted by the Arbitration Commission's wage restricting guidelines has cast it in the role of "policeman" of its affiliated organisations and their members.

Such activities provided the basis for the declaration of the *Financial Review* that: "The Hawke Government has become a jailer for unions which dare to buck the Accord's consensus, and the ACTU has become an industrial police force." (*Financial Review* 15/10/84)

### Rosella-Lipton dispute lessons

The briefest statement of the facts shows that this accusation is no exaggeration.

The dispute at Rosella Lipton involving the members of the FPU did not end with the scolding by the commissioner nor the reference of their actions to the ACTU. The dispute continued and in its course revealed:



\* A firm determination by the workers involved in the dispute to win their claims;

\* A flat refusal by the union leaders to desert their members or "to ride shot gun on them";

\* A determination by the company to refuse the claims for a wage increase using the Accord and the wage restricting guidelines to support them;

\* The involvement of the Hawke Government through Minister for Employment and Industrial Relations Ralph Willis in support of the employers, including government support for applications by the company to impose heavy penalties on the union;

\* The failure of the ACTU to come to the aid of an affiliated union under attack by employers and the government;

\* A splendid example of solidarity by transport unions in support of the FPU.

A statement of the union's position in this dispute contained in the Transcript of Proceedings before Conciliation Commissioner Cox on October 30 and 31, 1984, together with a circular letter addressed *To union secretaries* from the FPU General Secretary, Mr T D Ryan, dated November 23, 1984, shows the dispute to have been originated by the provocative action of the company in dismissing 14 "short-term" employees.

Following the imposition of bans by the workers in support of the demand for the reinstatement of the 14 dismissed union members and further provocative action by the company, the workers declared an indefinite strike.

At that point in the dispute, they enlarged their demands which until then had not involved any question of wage payment. They called for a five per cent increase in wages and payment for time lost in a strike resulting from employer provocation.

Such circumstances have been repeated many times in disputes and there is nothing exceptional about the Rosella Lipton dispute except for the fact that it occurred in a period of unprecedented restrictive wage fixing guidelines instituted by the Arbitration Commission and, of course, in the period of the Accord.

### Heavy penalties — not negotiations

Hiding behind this fact, the company refused to negotiate with the union.

The union's General Secretary, Mr Tom Ryan, in his November 23 circular to union secretaries, stated:

"We have made many attempts to negotiate settlement and we have proposed a number of packages some of which we believe to be within the

guidelines of the national wage commitment. The company refuses to negotiate a settlement other than to offer to pay part of the annual leave for their period on strike."

Instead of movements to settle the dispute, the company applied to the Arbitration Commission to have the union's coverage of members in the food preserving industry withdrawn and to cancel their award.

These were two unprecedented moves intended to wreck the union.

Reporting the lodging of the second of these applications under Section 142A of the Conciliation and Arbitration Act, the *Sydney Morning Herald* (SMH) (4/12/84) headed its report "Employers act to end food union". The report said: "The success of the application would effectively deregister the union and open the way for any other union to enrol the FPU's 7,500 members in NSW, Victoria, South Australia and Tasmania."

The FPU Federal Secretary, Mr Tom Ryan, commented that "the union would effectively be 'wiped out' if the application was successful". He went on to say: "It is the first time to my knowledge that this section of the act has been used to attempt to wipe out a union." The SMH report recorded that the Minister for Industrial Relations, Mr Willis, would support the original application "which seeks to cancel the union's award".

### Hawke Government supports employers

Despite the legitimate nature of the strike action and the validity of the claims made, nobody would move to reach settlement. Instead, the employer, the VCM, the Minister for Labour and Industrial Relations, the Arbitration Commission and the ACTU all regarded the dispute as a deliberate attempt to break the sacred Accord.

This view was acted on despite the fact that there was such a small number of workers, approximately 160, involved.

The employer went to unheard of lengths to break the strike. For example, during the course of the strike and in an effort to have the workers turn their back on their union, the company offered those who returned to work a \$500 interest free loan to help them with any financial difficulties resulting from the strike.

Subsequently they also guaranteed a certain amount of overtime in a restricted period which the company estimated would result in an additional \$1,600 for each worker and offered to make half that amount (\$800) available to each worker by December 21, 1984. This meant an offer to pay for overtime before it was even worked. Subsequently and at the telexed request of Industrial Relations Minister Willis, the company "upped" the \$800 to \$1,000.

Pointing up the alleged anti-Accord features of these accusations against the union, the General Secretary, T D Ryan, in a *Delegates' Newsletter* dated 23/11/84, had this to say:



"Our principle concern is this: The Accord would seem to have delivered the unions tied and gagged in the hands of the ACTU and the government. One strike at one plant is now being used and supported by the government as grounds for removing award protection for all our members. In other words, one dispute at one factory and the government is contemplating attempts to destroy our union. Nor is this the first time. The FFTS was advised that not only would the government attempt to destroy the union but it would not even give the union the opportunity to put its side of the case in court. It would simply legislate it out of existence with parallel legislation in other States.

### **Toe the line or be destroyed**

"In case we need to be reminded, most of those States and the Federal Government are Labor governments. Not even conservative governments threatened suspension of all legal processes nor did they threaten to proceed to destroy a union by legislation. This seems to us to be the terrible danger of the Accord — toe the line or we will destroy you. Throughout the whole dispute, the company and the ACTU have known the government's position in advance. The company usually tells us the government's position. Throughout the dispute, the ACTU has been able to tell us within minutes what our negotiating position with the company was.

**"Who is the affiliate of the government and the ACTU? ... Rosella Lipton or the Food Preservers' Union.**

"The ACTU has already told us that given the nature of the claims, there will be no support from that quarter. In other words, they have given tacit approval for attempts to destroy this union. Which union will be next?

"It would appear that consensus, such as it exists, means that if you can't reach our position, we will destroy you by whatever means are necessary and if there are no legal processes to do so, we will invent them."

Reflecting the bitterness in the union involved by the attitude of the Hawke Labor Government and, in particular, the Minister for Employment and Industrial Relations, R Willis, the union's General Secretary, T Ryan, telexed Mr Willis on October 30.

On October 29, Mr Willis had telexed the VCM, the Managing Director of Rosella, ACTU Secretary Kelty and Conciliation Commissioner Cox expressing the government's concern that the union claim "appears to be in blatant breach of that union's commitment to the wage fixing principles" and announcing "the government's intention to intervene" in the arbitration proceedings "in the public interest". It should be noted that the telex was not sent to the union.

Mr Ryan sarcastically telexed to Mr Willis: "Have obtained copy of your telex No 2425-29/10/84 addressed to VCM.

"We appreciate your assistance in this matter. Unfortunately your threat to intervene in the proceedings has not bluffed the company into negotiating settlement with us. Thanks for your expression of solidarity."

The union's bulletin, the earlier circular to the unions and Mr Ryan's telex certainly express some very harsh feelings but it is clear that the actions of the government and the ACTU in this matter warranted this.

Responding to the application by the employers for heavy penalties on the union and the support rendered to those applications by the Hawke Government, the union applied to the commission for variation of its award so as to eliminate the clause which prevented the union from making claims, that is, the clause that committed them to observing the guidelines.

### **Commission's strike breaking effort**

The two applications by the employers and the application by the union were listed for hearing by a Full Bench of the Arbitration Commission on December 14, 1984. The commission sat until the early evening but made only one decision.

During the proceedings, the VCM made yet another application to the commissioner — under Section 45 of the Arbitration Act — and, in that application, asked the commission to direct the registrar to conduct a secret ballot of members of the union on the question of return to work.

This is a time honoured means of breaking a strike and is based on the assumption that, voting in secret, workers on strike will vote contrary to decisions made in open voting to support strike action.

The method is not new. Forces in Britain opposed to the 1984 strike of miners loudly called for a secret ballot of the striking workers hoping for an end to the strike. It is worth noting that the National Union of Mineworkers (NUM) and the striking workers themselves rejected that call from their opponents. They pointed out that the issues in the strike were clear, easily understood by the workers involved in the strike and the decision for strike action had been made in accordance with the NUM rules and working class practice. That was also the position of the FPU before the Australian Arbitration Commission.

Despite the opposition of the FPU, the commission granted the employers application and ordered the registrar to conduct a secret ballot of the striking workers on the issue of returning to work.

### **Workers defy threats**

In making that decision, the members of the commission were aware of the enticements offered by the company to the striking workers for a return to work. The details of these have already been mentioned.

In facing up to the ballot, the workers knew of the company's enticements and the threats to destroy their union inherent in the other applications made



by the company to the Arbitration Commission.

They were also aware of the support given to the company's attacks upon them and their union by the Hawke Government and of the lack of support for their union from the ACTU.

The ballot ordered by the commission at the request of the company was conducted on December 18, 1984. By 83 votes to 51, the workers rejected the proposal for a return to work.

At a meeting convened by their union the following day, the workers voted 106 to 6 to continue their strike indefinitely.

In combination, the employer, the VCM, the Arbitration Commission and the Hawke Labor Government had moved to break a strike and smash a union.

These same forces, with at least the connivance of the ACTU leaders, sought to convert a traditional form of strike action in support of legitimate demands into a conspiracy to wreck the ACTU-ALP Accord.

It may well be that such an aim was never in the minds of the workers involved nor in the minds of the leaders of their union. However, the position in which they found themselves and the attacks made upon them were the direct results of the situation created by the infamous Accord. In fact their position was so unprecedented that it can be said that it was possible only because of the Accord.

In all the circumstances and irrespective of their intentions, their stand in fact became the most graphic exposure of the Accord and its so-called "principles" since that document saw the light of day. As such it was as welcome as a zephyr breeze in a desert.

### **Splendid solidarity action**

One warm aspect of this otherwise chilling episode was the support offered to the FPU by other unions towards the end of the dispute. The BLF and the Electrical Trades Union (ETU) publicly declared their support for the FPU and no doubt would have responded to any appropriate calls made by that union.

The two main rail unions, the Australian Federated Union of Locomotive Enginemen (AFULE) and the Australian Railways Union (ARU), agreed, if called upon, to place a ban nationally on the transport by rail of materials for Unilever which means more than just Rosella Lipton.

This stand was supported by the road Transport Workers' Union (TWU). On December 6, 1984, I Hodgson, Federal Secretary of the TWU and ACTU Executive member, telexed ACTU Secretary Kelty, the FPU and the railway unions, saying:

"We have recently been advised of the details of the dispute between the

FPU and Rosella Lipton Pty Ltd of which I understand you are aware. We express great concern in respect of this matter. We strongly suggest that the ACTU should act to bring about the cessation of the action by employers in respect to Section 62 and 142A of the Conciliation and Arbitration Act.

"Should these actions be successful, we believe that such action will be used by the employers in future disputes in respect of all unions. As you are aware, our organisation completely supports the ACTU policy in respect of wage fixation and fully supports the Accord between the ACTU and the Labor Government. However, we are not prepared to tolerate such a vicious attack by an obviously unreasonable employer on an affiliate of the ACTU.

If this matter is not settled quickly and satisfactorily, we will be forced to give consideration to joining with other transport unions in taking action against all of the Unilever group of companies."

### **Workers victorious**

In January 1985, the Rosella Lipton dispute was settled on terms satisfactory to the workers involved and constituting a victory for their strike.

The terms did not include the five per cent wage rise sought by the strike and which was denounced by the Arbitration Commission, the government and the ACTU leaders as being outside the principles of the Accord and the commission's wage restricting guidelines.

However, they did include, in differing forms, provisions which give all those involved in the strike substantially increased earnings. The terms of settlement also included an arrangement providing each worker with a substantial lump sum.

In all the given circumstances, approval of those terms by the Arbitration Commission was extremely doubtful and both parties to the dispute agreed not to submit them for approval.

The applications by the company to the Arbitration Commission for cancellation of the union's award and its virtual deregistration were not proceeded with.

Thus the unprecedented actions directed against the FPU and its members failed. In addition to satisfactory settlement of their strike, their determined stand "punched a hole" in the sanctified concept of the Accord.

A press statement issued by the union's General Secretary, Tom Ryan, on settlement of the strike, said: "He was proud of the way all members of the union, especially Rosella Lipton members, had withstood the pressures directed at them during the strike including the threatened destruction of the union. The dispute had demonstrated to the trade union movement the inherent dangers of any system of consensus."

The union and its members concluded this particular action with a highly successful Victory Social on January 25, 1985.



## Chapter 5

# The Clayton's pay rise

The experience of unions covering academic staff reveals some dangers for all unions. Their experience also shows the extent to which the government will go in restricting wage levels and ensuring the compliance of the Arbitration Commission with that process.

On April 17, 1984, the Academics' Salaries Tribunal brought down a decision for a five per cent salary increase for college and university academics. This salary increase has become known as *the Clayton's five per cent — the five per cent you're having when you're not having five per cent!*

In this instance, the five per cent was won within the strict provisions of the Accord. Then 60 per cent was taken away, breaching the Accord totally.

As we have already written in detail, in areas such as the FFTS and the FPU, unions not complying with the guidelines have been attacked, criticised and forced to come into line.

In this instance, the unions that did comply with the guidelines and won an increase within them, were compelled to forfeit 60 per cent of that increase for 12 months as a result of government intervention.

The story below illustrates clearly the hypocrisy and dishonesty of the government which expects unions to abide by restrictive provisions of the Accord and then breaches those provisions itself in an effort to even further restrain wages and salaries.

In November 1982, the Federation of College Academics (FCA), the Federation of Australian University Staff Associations (FAUSA), the New South Wales Teachers' Federation (NSWTF) and the Academics' Staff Association of the South Australian Institute of Technology made application to the Academics' Salaries Tribunal for an enquiry into academics' salary levels following widespread salary movement throughout the community and, in particular, in comparable classifications.

The Academics' Salary Tribunal is a one-man body consisting of Justice Ludeke who is also a Vice-President of the Arbitration Commission. The procedure for awarding salary increases to academics is complex and includes

any recommendation for an increase being tabled in Parliament, just as salary recommendations for judges are tabled. After lying on the table for 15 sitting days without any opposition, it then becomes payable or can be passed on in various States by other tribunals.

The introduction of the wage freeze in December 1982 cut short attempts to have the catch-up plan of academic organisations considered by the tribunal. The matter was not dealt with until September 1983 when the wage freeze was lifted and the National Wage Case decision brought down guidelines which permitted certain increases under provisions relating to anomalies.

Using appropriate provisions, the academics' unions made a wage claim. Five months later, the tribunal brought down a decision recommending an increase of five per cent in academics' salaries effective from April 17, 1984.

The ACTU supported and assisted the unions in making their claim. The Commonwealth Government was unsuccessful in its attempts to oppose the claim.

Justice Ludeke, consistent with previous decisions, rejected the government's arguments on grounds such as "capacity to pay". It is worth quoting a previous statement of Justice Ludeke:

"In my opinion, the tribunal should not be deterred from recommending and determining proper levels of salary by apprehension that its decision may aggravate the financial problems of the universities and colleges." (1981 Report, p 156 & 157.)

### Government delays pay rise

While academics were awaiting the determination and recommendation of five per cent to lie in Parliament for 15 sitting days, the Commonwealth, out of the blue, made a submission to the Academics' Salaries Tribunal. The unions had no warning — there was none of that wonderful consultation promised in the Accord — and had about two days notice to appear again for a hearing before the Academics' Salaries Tribunal on June 4, 1984.

In what can only be described as a totally unprecedented action by any government or any other body appearing before wage fixing tribunals, the Commonwealth Government sought to have the determination and recommendation of a tribunal changed. In what it called "the public interest", the government requested that the increase of five per cent be "phased in" with two per cent being paid from April 17, 1984 and the other three per cent from April 17, 1985. The government stated:

"It cannot be overemphasised that the budget realities are such that the payment of this amount in increased salaries means that there will be \$47 million less available to meet the pressing needs of participation and improved



resources in our higher education system. In the budgetary circumstances confronting the government, there are very real limits on the funds available for higher education. In these circumstances, funds spent on increased academics' salaries must mean lesser increases in employment of academics and less resources for higher education."

The implications of the government's statement, if it is not read very carefully, are that the government was attempting to save \$47 million for purposes of additional expenditure on student places and tax reductions for workers. This was, to say the least, very misleading. Government expenditures for the remainder of 1984 in higher education were already committed. What the savings would really amount to would be just over \$8 million in 1985 prior to April 17.

### Now you have it, now you don't

On June 5, 1984, the tribunal recommended that the five per cent increase be phased in as requested by the government and that salaries be increased by two-fifths of the five per cent from the first pay period commencing on or after April 17, 1984 and by three-fifths of the five per cent on or after April 17, 1985.

This decision is incredible on many grounds. It is quite a new feature of industrial relations and wage determination in Australia for a tribunal to reconvene after making a determination and alter the previous decision.

It appears that the government has the right of appeal if it does not agree with the "umpire's decision". The unions have no such right of appeal, although they have attempted to have the decision reversed. Such a precedent in any wage-fixing sector, not just the public sector, raises serious questions for the union movement.

The five per cent increase determined on April 17 had, in fact, been paid to some academics. After the reversed decision of Justice Ludeke of June 5, they had to pay back the three per cent so that the five per cent could be phased in over a year. This must be the first time that a determination has been altered in such a manner.

Many observers were surprised at Justice Ludeke's ability to contradict his previous statements and principles.

The decision contradicted the principles of the tribunal with regard to "capacity to pay". Justice Ludeke had made it quite clear that he would not be deterred from recommending and determining proper levels of salary by any apprehension of financial problems in universities or colleges.

The more suspicious members of the unions involved began to question such actions by an honourable judge, and suggested that perhaps there had been "divine intervention" in this instance. In addition, quite seriously from the point of view of workers and also for Justice Ludeke's own reputation, it is

what amounts to a total break of national wage guidelines themselves.

The acceptance of "the capacity to pay" argument of the government and the endorsement of the government's budgetary priorities by Justice Ludeke is in total breach of the government's undertakings that wage and salary tribunals would be independent of political interference under a Labor government.

The decision is not only in breach of the national wage guidelines themselves but also in breach of the Prices and Incomes Accord by which the government insists unions abide.

In fact, as other sections of this booklet demonstrate, the government has gone to unprecedented lengths in attacking and pressuring unions into adhering to their commitment under the Accord, but does not see any need to adhere to the Accord itself.

This demonstrates the total hypocrisy of the government with relation to the Accord.

Also of concern is the fact that the government having successfully reduced, by 60 per cent, the increase going to academics in the first year of the increase, does not appear to have allocated the savings to higher education.

### Dangerous precedents

Of concern to everyone are the precedents created by the government and Justice Ludeke in this instance. There is no doubt that this is the thin edge of the wedge. Future decisions in the public and private sector will see "capacity to pay" arguments creeping in, with variations of this phasing in concept to delay and reduce future wage increases.

The precedents in this case involved restraint and restrictions beyond those outlined in the Accord and the national wage decision of 1983.

The academics' unions did not take the decision sitting down. For example, the Federation of College Academics called a national stop-work meeting of its members. This was totally unprecedented action for such a union and was very successful. In Victoria, around half the members took action during a stop-work in that state.

The story does not end here. At short notice, the Academics' Salaries Tribunal was reconvened by Justice Ludeke. He made a statement concerning his revised decision in which he said:

"The initial request to hold the enquiry was made by the Prime Minister, who telephoned on or about 28 May. Subsequently I received a call from an officer from the Department of Employment and Industrial Relations and I directed the Commonwealth's written submission be served on all parties by Thursday, 31 May. When the Commonwealth's submission was received, it was



accompanied by a written request for an inquiry signed by Mr Mick Young, the Special Minister of State. That and the submission are annexed to my decision of 5 June, 1984."

The Arbitration Commission and tribunals have always kept up or attempted to keep up images of independence from governments, claiming to be independent judicial bodies that are fair and beyond political influence of government.

According to *The Australian* (29/8/84), Mr Hawke's office when approached stated that Cabinet had considered the Ludeke decision on May 28 and that Mr Hawke had merely been relaying a Cabinet decision that the tribunal be reconvened to advise the government about a phasing-in proposal.

*The Australian* asked if this was an unusual approach. The spokesman is quoted as saying "Oh no, these things happen all the time". This statement has not been denied or countered in the media by the government.

These incidents reveal the government's determination to restrict some and possibly all wage levels to an extent greater even than that envisaged by the Accord and the Arbitration Commission's guidelines.

Although at a lesser level than the actions against the FFTS and FPU, the academics' experience adds to the picture of use of the wage fixing tribunals to restrict wage and salary levels.

## Chapter 6

# Waterside Workers' Federation — the left abdicates

The experiences of the Waterside Workers' Federation (WWF) in June 1984 in connection with two yearly negotiations over wage rates and working conditions provide a prime example of a reputedly "left" force being disarmed and rendered almost impotent by reason of adherence to the Accord and the so-called "principles" of wage fixation laid down by the 1983 and 1984 National Wage Case decisions of the Arbitration Commission.

Commencing in 1967, the WWF and the Association of Employers of Waterfront Labour (AEWL) have engaged in a process of negotiations to determine the terms of what has become known as a *Waterside Workers' Contract*. (The negotiations completed, the main features of the outcome have been converted by the Australian Arbitration Commission into a "contract award".)

The first "contract" was for a five year period and each subsequent contract has been for only two years. Each contract has been marked by some forms of discernable and mostly substantial advances in wage rates and conditions of employment for waterside workers.

This year the standard practice of negotiations was honoured but:

- \* There was no new "contract". The existing contract due to expire in May 1984 was extended for a further two years.
- \* There was absolutely no increase in rates of pay beyond the 4.1 per cent awarded by the National Wage Case decision to all workers.
- \* The terms and conditions of an "early retirement scheme" on which the union and the employer negotiators could not agree



was decided by a judge of the Arbitration Commission. These terms and conditions as decided by the arbitrator were substantially in accordance with proposals which had been advanced by the employers during the negotiations with the union but which the union had rejected.

\* The cost of this scheme to the employers, which was an improvement on a previously existing scheme, was fully "off-set" by savings to the employer of a changed work roster for a section of the waterside workers. The judge made clear that it was not for that off-set factor, there would not have been any improvement in the early retirement scheme. The off-set figure was a record for this type of sacrifice by workers.

The proceedings before the judge and the judge's decision on the one matter he was required to determine by arbitration made clear that all of the factors mentioned above were in accordance with and arose out of the provisions of the Accord and the Arbitration Commission wage fixing "principles".

### **WWF bows to Accord and the commission**

The judge's decision records the following: "In explaining the background to the present proceedings, Mr Docker, General Secretary of the Federation, said:

"Firstly, I would like to submit that in pursuing its claims during this contract negotiation, if I might call it that, the federation has kept strictly within the wage principles established by the National Wage Case decision of last year (1983). It has done so because it consciously and willingly supported the accord reached between what is now the government and the Australian Council of Trade Unions, and to which the decision of the commission in the wages matter is related. Clearly the Accord contemplated a national or a centralised wage fixation system, that unions would not pursue claims outside that system that had any cost significance. Our Federation supported that general concept in the interests of the community, in the interests of the trade unions as a whole."

The judge went on to comment: "I am satisfied that the negotiations to date have reflected that objective. As will be seen, significant cost savings are involved in the concession conditionally agreed to on roster changes and the claim for enhancement of the early retirement scheme is to be considered in that context."

In an earlier statement by the judge, made when he decided to arbitrate the issue in dispute, he made clear that he would proceed with firm adherence to the "principles" announced in the 1983 National Wage Case decision of the Arbitration Commission. He said:

"It is accepted by both parties that the final package must pass the test of

negligible cost laid down by the current wage fixation principles." The particular principle referred to by the judge and contained in the 1983 National Wage Case decision of the Arbitration Commission lays it down:

"Increases outside the national wage — whether in the form of wages, allowances or conditions, whether they occur in the public or private sector, whether they be award or over-award — must constitute a very small addition to overall labour costs. The commission will guard against any principle other than Principles 1 and 2" (half yearly indexation and periodical consideration related to national productivity) "being applied in such a way as to become a vehicle for a general improvement in wages and conditions". (National Wage Case 1983, Print F 2900, page 49, Appendix A)

That language is simple but meaningful. The commission's concern to limit all advances in workers "wages, conditions or allowances" to those which "constitute a very small addition to overall labour costs" except for advances resulting from CPI movements and national productivity and the means it will employ to ensure this is emphasised by Principle 5 "Standard Hours".

On this matter, the commission's 1983 national wage decision states: "In dealing with agreements and unopposed claims for a reduction in standard hours to 38 per week, the cost impact of the shorter week should be minimised. Accordingly the commission should satisfy itself that as much as possible of the required cost off-set is achieved by changes in work practices. Opposed claims should be rejected.

"Claims for reduction in standard weekly hours below 38, even with full cost off-sets, should not be allowed." (National Wage Case 1983, page 51, Appendix A)

### **Employers costs reduced**

Thus the cost to the employer of an improvement in an allowance for waterside workers by way of an Early Retirement Scheme had to be off-set by an equivalent saving to the employer by way of a change to a certain roster system with consequent reduced earnings for the waterside workers required to work the changed rosters.

The WWF negotiators were aware of the off-set provisions in the commission principles. They agreed with the employers on the form of the cost off-set and submitted figures to the commission showing its actual extent.

A departure from previous procedures in relation to WWF contract negotiation is worth noting. On all previous occasions, the total outcome of the negotiations were reported to the membership and then submitted to ballot at specially convened stop-work meetings in all ports.

On this occasion, the federation supported the Accord and had given the required undertaking to the commission to observe its wage fixing principles.



The major matter concerning the members had been decided by a judge of the commission in accordance with those principles. There was therefore no ballot of members. A ballot was not required on a matter already "signed, sealed and delivered".

## Chapter 7

# Building industry superannuation — amazing & dangerous proceedings

These proceedings constitute a veritable saga. Directly related to and arising out of the Accord and the Arbitration Commission's restrictive wage fixation "principles", it has amazing aspects, presents some dangerous features and provides in general some important lessons for workers and the unions.

In these proceedings, a simply expressed traditional and well merited wage increase claim became transformed into a claim for a form of industry related superannuation scheme. This became the subject of a series of Arbitration Commission contests and negotiations with the Hawke Government and contributed substantially to exposing the real purposes of the Accord and the "National Wage Principles".

The processes finally cast the ACTU into the role of policeman on the rest of the trade union movement. The main developments in what we have called a saga included the following:

\* In October 1982, the building industry unions served a log of claims on the big building construction section of the employers, the main feature of which was a \$40 per week wage increase. Also included, but in a very secondary position, was a claim for "portable superannuation" and death compensation payment. The superannuation scheme claim, in similarly general terms, had been advanced by building industry unions in previous logs of claims.



\* In September 1982, the parties entered into some negotiations and, at least on the part of the unions, the aim was to have a new agreement operating from March 1, 1983. This was the expiry date of an agreement covering wage increases in December 1981 and mid-1982. Thus the \$40 wage increase claim was a continuation of the drive by the building industry unions for wage increases commencing in late 1981. As such it was of interest to and its success would benefit workers in general.

\* In November 1982, negotiations broke down. On December 23, 1982, the Arbitration Commission, at the behest of the Fraser Government, introduced a six month pause on wages and salaries — a Christmas present from Fraser and the arbitrators. In January 1983, the employers refused further negotiations while the wage pause was effective.

\* On February 22, 1983, the ACTU/ALP Accord was adopted by a conference of unions convened by the ACTU. P Clancy (BWIU National Secretary), as one of three union officials selected to speak on behalf of the left, supported adoption of the Accord. Other building unions voted to adopt the Accord.

\* On February 23, 1983, a formal proceeding in relation to the unions' claims resulted in the Arbitration Commission finding that a dispute did exist between the unions and the employers in the building construction industry. This opened the way for negotiations between the parties to commence.

\* In March 1983, the ALP was elected to government and in April, the Hawke Government assembled the National Economic Summit Conference. This conference was attended by representatives of all governments, heads of leading corporations in Australia, leading representatives of employer organisations and members of the ACTU Executive. These latter, and especially the ACTU officers, were given and played a prominent part in the summit proceedings. Although the employers and their organisations were not and still are not parties to the Accord, the document and the concepts on which it is based were given a good airing and received a nod of approval from these forces.

\* In March 1983, the ACTU became involved in the building industry unions' claims. The Executive approached Minister for Industrial Relations Willis and in April he appointed a chairman for a National Building Industry Conference. The ACTU remained actively associated with all the proceedings from that time onwards and, though less actively, so also did the government through the appropriate minister.

\* In May 1983, negotiations on the building unions' claims were opened with the employers concerned.

\* On September 23, 1983, the Arbitration Commission published its national wage decision (4.5 per cent increase in wage rates) and the principles on which all future wage fixation was to be based. Along with other unions, the building industry unions gave the undertaking which the commission's principles demanded. This included acceptance of wage increases being strictly confined to half-yearly wage adjustments related to price movements as per the CPI, periodical consideration of remuneration to workers in the light of any increase in national productivity, some other exceptional and strictly limited considerations and the total abandonment of all "extra claims". (The ACTU had sought quarterly adjustments.) This undertaking, which the commission demanded from the unions as the price for having wage rates in their awards adjusted, was first sponsored by Prime Minister Hawke at a meeting with employers in Brisbane earlier in the year.

\* In November 1983, the outcome of the negotiations between the unions and employers in the building industry was submitted in writing to the Arbitration Commission. During the approximately six months of negotiations, the unions' claims and the employers' counter claims were virtually abandoned and were replaced by an agreement called the *Memorandum of Understanding for the Improvement of Industrial Relations in the Building Industry*. The terms of the document make its title aptly descriptive.

### Wage increase claim rejected

The Memorandum of Understanding covered a number of matters but those which required consideration and decision by the commission concerned wage rate increases. These involved proposals for increases in a number of allowances and special rates associated with work in the industry and an "across the board" weekly payment of \$7.50.

The former were to be increased in accordance with a past practice and approximated an increase of 20 per cent. The latter payment of \$7.50 was a new feature in the wages structure and was called the *Building Industry Recovery Procedures* (BIRP) allowance. This payment was related to proposals for improving industrial relations through peaceful means of settling disputes.

The action of presenting the proposals for approval by the Arbitration Commission was in accordance with an insistence of the employers and was also an obvious recognition that the proposed money increases, even though agreed upon, had to "run the gauntlet" of being tested against the National Wage Principles.

This amounted to recognition by the unions and the ACTU that by their own actions in relation to adoption of the Accord and acceptance of the National



Wage Principles, they had created a situation in which, despite agreement between the unions and the employers, the final decision on increased wage rates for the industry's workers rested with the Arbitration Commission.

With commendable ingenuity, the unions, with ACTU support, tried every trick in the book: first, to fit the wage rate claims under the "anomalies" principle of the commission; second, to insist that the package had to be considered as a whole even though they were seeking the commission's approval for only the wage rate proposals; third, to insist that there was no basis for any flow-on to other workers of the increased rates for which they were seeking approval; fourth, to claim that they escaped the commission's principles because the negotiations commenced before the December 1982 wage pause decision.

Insistence on consideration by the commission of the package as a whole was aimed at getting approval of the wage rate increases in the light of the "peace in industry" proposals arising from the concept of a payment for contributing to the building industry recovery.

All these efforts were rejected by the Full Bench of the Commission. The commission's decision of November 4, 1983, stated: "The decision of September, 1983, (the commission's national wage decision) is emphatic: the price to be paid for maintaining regular national wage adjustments based on indexation is that increases outside national wage, whether in the form of wages, allowances or conditions, must constitute a very small addition to overall labour costs."

Employers opposing the unions' application for ratification of the agreed upon wage rate increases estimated that the total cost of the proposed increased rates was between \$379.1 million and \$491 million annually and the cost of the BIRP alone was approximately \$167 million annually.

The unions claimed these estimates to be exaggerated but their real position and that of the consenting employers is set out in the commission's November 14 decision in the following terms:

"The Director of NICC agreed with the suggestion that the allowance (that is, the BIRP) basically is the consideration to the union members for entering the agreement. It was also put that the money was a consideration for an agreement which seemed realistically to eliminate the cause of the disruption suffered by the industry."

The process referred to as "disruption" was the various actions by workers in support of their demands.

### **Peace in industry at \$7.50 per week**

The commission commented further: "On behalf of the unions this allowance was described as a relatively modest amount tied 'explicitly and candidly to the proposals for stabilising the industry'."

The ACTU submission pointed out that the agreement includes a unique set of procedures dealing not only with dispute settlement but also with the prevention of disputes by directly addressing the issues which have been constant sources of industrial disruption. In these circumstances, it was said that "\$7.50 is an insignificant price to pay to cement the agreement and to remind workers in the industry of their obligations under the award".

The \$7.50 allowance was, in its original form, proposed by Chairman of the National Building Industry Conference appointed by Minister Willis. His proposal was said to be a means of breaking a deadlock in negotiations between the unions and the employers and, in the form he advanced, it was apparently intended to dodge the commission's restrictive principles.

It is obvious, however, from the position of the unions and the ACTU described above, that in the form in which the BIRP allowance was advanced in the agreement, it was a sum which the employers were prepared to pay for a form of "industrial peace" and which the unions and the ACTU were prepared to accept in return for guaranteeing "industrial peace".

The right to strike — if not in total, then in a restricted form — was put up for sale and was bought at \$7.50 per week.

Commenting on the stand of the employers, the unions and the ACTU in support of the BIRP \$7.50, the Commission Full Bench said:

"We have serious misgivings about the proposed allowance. It is said to have a number of purposes, but it is clear that primarily it is intended as a payment to secure a promise of good behaviour and to obtain agreement to various procedures which are beneficial to unions as well as employers. It is difficult to find any justification for an allowance which is expressed to be in consideration of such a motley collection of unrelated matters.

"Three matters in particular require comment: procedures for settling disputes are well provided for in the current awards; a no extra claims commitment has been given to the commission in accordance with Principle 3; and the ACTU already has a code for handling demarcation disputes affecting all affiliated unions. A new additional allowance should not be paid simply to ensure that existing obligations and commitments are observed."

### **The Accord sinks wage claims**

The commission treated the BIRP wage as a claim for a new allowance as provided for in the National Wage Principles and disallowed it on the grounds that it did not come within the "New Allowance" section of those principles.

Thus wage fixation principles to which the building industry unions and the ACTU had readily agreed, as a result of their acceptance and adherence to the Accord, denied the workers in the industry a wage increase which those bodies had negotiated with the employers and to which the employers had readily agreed.



Subsequently, the commission increased special rates and other allowances already contained in the relevant building industry awards. However, the increase was not the approximately 20 per cent to which the unions and the employers had agreed. It was 4.3 per cent which was the percentage by which the national wage decision had increased wages. That is in line with the National Wage Principles — no more and no less.

Once again the building industry workers were denied upward adjustments of certain rates contained in their awards and agreed to on the basis of past practices because of wage fixation principles to which their unions and the ACTU had consciously agreed.

Earlier we quoted from the Full Bench decision dealing with the building industry matter a reference to the commission's principles which stated that "increases outside national wage (that is, half yearly indexation or productivity factors) whether in the form of wages, allowances or conditions, must constitute a very small addition to overall labour costs".

The Full Bench followed this with the emphatic declaration that "we are of the opinion that the application to vary the allowance in the national building awards must be rejected on the grounds of cost".

What followed was yet another doubtful dodge.

### **Superannuation replaced wage claim**

Obligated to accept the failure of their efforts to obtain a wage increase in the form of agreement with the employers and a "peace in industry" formula, the building industry unions, with active ACTU support, resorted to yet another dodge to avoid their obligations under the Accord and the commission's principles — a superannuation scheme for workers in the building industry.

On the day (November 22, 1983) that the earlier application was finally ousted by the Arbitration Commission, P Clancy (BWIU) informed the same Full Bench of the intention to seek the establishment of a superannuation scheme "in the light of the disallowance of the Building Industry Recoveries Procedure allowance".

Once again this could be regarded as commendable ingenuity but it is necessary to note that the ingenuity was born of the circumstances created by the Accord and the commission's principles — both of which the unions and the ACTU happily subscribed to and continue to do so.

Since November 1983, this superannuation scheme has been the subject of major attention in the industry with a great degree of "backing and filling" by the employers and some "praising with faint damns and damning with faint praise" by the Hawke Government. On at least two occasions, this matter has received an airing in the Arbitration Commission with interesting results.

In March 1984 during the 1984 National Wage Case proceedings, Mr K Lovell, Director of the National Industrial Construction Council (NICC), the main employer body with which the unions and the ACTU were discussing the superannuation proposal, asked the National Wage Bench not to give any national wage decision (4.1 per cent increase) "until the ACTU itself and the building unions had given a specific commitment that they would not continue to press for industry superannuation". (National Wage Full Bench Decision, June 13, 1984)

That decision quotes Mr Lovell as saying in connection with the superannuation scheme and actions by the building industry unions to enforce their claim: "The history of the way in which the claim has been developed demonstrates in our respectful submission beyond any reasonable doubt that it is being pursued as a way to replace allowance increases which were rejected by the commission last November.

"Whatever name is given to it, the current claim in the building industry and the threat of direct action from April 1 is a sectional claim and an extra claim, thereby inconsistent with the Prices and Incomes Accord, the National Economic Summit Communique and this commission's wage fixing principles."

Prior to this proceeding before the commission, the BLF had begun a campaign of industrial action in support of a claim for a wage increase of \$9 per week. That matter was the subject of a hearing before Conciliation Commissioner Merriman and the above-mentioned commission decision records the following:

"In proceedings before Mr Commissioner Merriman arising from the BLF's campaign, Mr Cummins for the BLF submitted that there was a common claim by all building unions 'for the outstanding \$9 short-fall on the employers reneging on the award agreement'. He stated that the other building unions were pursuing this short-fall by way of 'a half-baked superannuation scheme' but the BLF were 'looking for the \$9 in the hand.' At page 3 of the transcript on February 27, Mr Cummins stated as follows: 'We are pursuing the \$9 short-fall one way and blind Freddy can now see that the other building unions are doing the same'."

The superannuation claim received another airing before the commission in May 1984. The matter being dealt with was an application by the building industry unions for extension to their awards of the 4.1 per cent national wage increase awarded by the commission in April. However, major attention was given at the hearing and in the commission's decision (13 June, 1984) to the superannuation claim.

This arose primarily out of the fact that 15 employer organisations asked the commission not to extend the 4.1 per cent national wage increase to building industry workers because they were pursuing a superannuation claim which was outside the commission's principles.



## Superannuation under commission's control

The unions and the ACTU claimed that superannuation was a matter referred to in the Accord and was not a matter falling within the commission's principles.

The commission granted the 4.1 per cent national wage increase but rejected the contention that a superannuation claim was a "social wage" factor arising from the Accord and that it was not subject to the restrictions of the principles. On this matter the commission said:

"Because superannuation has been treated as a social security issue apart from wages and conditions in the Accord, it does not follow that it must be treated in the same fashion in respect of the principles. The principles have been formulated on the basis that labour cost increases outside national adjustments for CPI movements and national productivity should constitute a very small addition to overall total costs. The introduction of an industry wide superannuation scheme involving contributions from participating employers of amounts exceeding \$10 per week for each of the employees covered by the scheme has obvious cost implications."

The commission went on: "Clearly the total additional costs of these payments will be substantial." Its decision then records: "It was submitted by the BWIU that the introduction of superannuation and the adoption of a new industrial package will mean significant cost savings for the industry. (*that is, to the employers*) It was put that 'the successful conclusion of the recent negotiations will not add to the cost of the package, namely, the industrial relations agreement which will act as a cost off-set to the cost of the superannuation scheme'."

Earlier the commission's decision recorded that "the NICC had stipulated that it would require an industrial agreement similar to the agreement reached in 1983" and that the ACTU stated "we accept and will enter into an appropriate industrial agreement" and "we have in the past and do now support the spirit and intent of those matters in that proposed 1983 agreement".

Despite the existence of this agreement as part of the package which included the \$7.50 BIRP allowance, another Full Bench of the commission which included one member of the Full Bench making the decision we are discussing, rejected the BIRP claim on the ground that the cost to the employers of the \$7.50 per week per employee would not be off-set by savings arising from the "industrial relations" and "peace in industry" agreement and on the further ground that provisions already binding the unions were sufficient to guarantee "peace in industry" if they were observed or enforced.

Having roped the superannuation matter into the mesh of the commission's principles, this Full Bench declared: "However on this occasion we are encouraged by the participation of the ACTU and the support of the govern-

ment. We rely on the ACTU to negotiate a suitable package and to do its utmost to ensure that the unions abide by their undertakings which form part of that package. For this reason, we place considerable importance on the agreed objective of an industrial relations agreement and the ACTU's adherence to it."

## Superannuation affects national wage claims

But that is not all. The commission further observed: "We place particular stress on the role of the ACTU. It has firmly committed itself to a gradual and orderly development of occupational superannuation and has given an unequivocal commitment that the building unions' superannuation scheme will not form the basis for flow-on of such schemes to other areas."

The bench added: "Any rapid spread of superannuation schemes will inevitably result in an addition to overall labour costs which will be quite unacceptable to the whole thrust of the principles. We rely on the ACTU to maintain its commitment to the prevention of an disorderly flow."

On another aspect of the matter of superannuation claims, the commission offered some warnings. It recorded with obvious approval a submission by the government's counsel that "increases in overall labour costs caused by superannuation schemes might well be taken into account by the commission in a national wage case when assessing the overall state of the economy".

On the building industry claim, the commission said: "To separate and isolate this claim by placing it in a different category of social security benefits would be artificial and unreal. (*this was a proposal put by the government's counsel*) It would be unreal to ignore the impact of such a scheme on the capacity of industry to afford future wage increases."

Then as a warning of general application, the commission concluded: "We also point out, as did the Commonwealth in its submissions, that increases in labour costs as a result of superannuation schemes are matters which are proper to be taken into account in national wage cases."

Even though the matter of the building industry superannuation claim was before the commission only as a byproduct, the commission, by its decision concerning extending the 4.1 per cent national wage increase into building industry awards, has:

- \* Ensured that, irrespective of agreement, the claim will come before the commission and be dealt with as coming within the wage fixation principles and in accordance with those principles.

- \* Served notice that the claim will be dealt with as adding substantially to labour costs which must be reduced to a "very small



addition to costs" by an effective off-set cost saving provision.

\* Made the ACTU responsible for policing strict adherence by the unions to a so-called "industrial relations" agreement and policing its cost saving effects.

\* Placed the ACTU in the position of policeman in relation to efforts by unions to win a flow-on of any outcome of the building industry superannuation scheme.

\* Spelt out that the cost of a superannuation scheme and, by inference, any other non-wage improvement achieved by workers, will be taken into account in relation to wage claims in a particular industry and also in relation to national wage cases.

So despite all the denials by some leading spokesmen for the building industry unions that the superannuation claim was not a means of getting around the earlier rejection of their BIRP allowance claim, it will be dealt with by the commission as a wage claim adding to labour costs and will be subjected to the same tests, but perhaps more strictly, as the rejected BIRP payment.

Furthermore, by their actions, they have created circumstances in which the wage restricting principles of the commission will more firmly shackle the workers.

\* They have also strengthened the Accord concepts in relation to common interests between workers and employers, for example "peaceful" settlement of disputes and so-called "stable" and "improved industrial relations".

Ironically, the establishment of a scheme which included such class accommodating features was associated with a series of industrial actions.

We have devoted considerable space to the matter of the building industry wage and superannuation claims because the processes associated with them created some dangerous precedents and provide some important lessons for workers and the unions in relation to the real purposes of the Accord.

### Unanswered questions

There remain several unanswered questions.

Why did the building industry unions with claims, including wage and other rates increases, already served on the employers actively support the Accord? Was it because they estimated that the obligations imposed on unions by the Accord in relation to wages would apply to others but not to them?

Why, knowing the position in relation to negotiations with employers on their wage increase claims, did the building industry unions so willingly give the undertakings to the Arbitration Commission in September 1983, in rela-

tion to acceptance of the wage restricting principles? Was it because they estimated that they had their wage increases "sewn-up" by agreement with the employers and that their "peace in industry" undertakings would "get them by" the Arbitration Commission's principles which they saw as applying to others but not to them?

If superannuation is such a vital matter for workers, why was this claim, which was part of the log of claims together with the wage increase claim, not pursued with any vigour until the BIRP wage increase was rejected by a Full Bench of the Arbitration Commission? Since the speedy elevation of the superannuation claim was so obviously a dodge to have it replace the BIRP allowance as an additional wage claim, why the pretence by the building unions' spokesmen that it was not in that category?

Was this a form of elementary cunning on the part of the building union leaders aimed at finding a way around the Accord in relation to wages and around also the Arbitration Commission's wage fixation principles on behalf of the building industry section of workers while continuing to support the Accord and the principles and the application of their restrictions to all other workers? And if the building union leaders intend to maintain that attitude, isn't that a classical example of the concept "I'm all right Jack, bother you"? And isn't that concept the opposite to an elementary principle of trade unionism?

Why did the ACTU leaders involve themselves to such an extent in support of the building unions claims, both the BIRP allowance and the superannuation claim, when both claims were and continue to be so obviously "sectional" and "additional" claims, both of which are rendered impermissible by the Accord and the commission's wage fixing principles and to both of which the ACTU gives such devoted support?

What accounts for the different attitude by the ACTU leadership to the stand of the Food Preservers' Union when the officials refused to give the guarantee of compliance with the Arbitration Commission's "principles" in 1983. That stand was attacked at the 1983 ACTU Congress and not only by the ACTU officialdom.

And more recently, what accounts for the supportive stand of the ACTU officials to the building unions BIRP and superannuation claims and the stand-over opposition they adopted to the \$11.90 wage increase won as the direct result of strike action by the Furnishing Trades Society?

### Some peculiar aspects

Is this differing attitude due to the fact that:

- (a) The non-compliance stand of the FPU constituted a "bad" example to other unions and threatened the ACTU's subservience to the Accord and the Arbitration Commission's wage restricting principles.



(b) The wage increase won in 1984 by the FFTS for a section of its membership provided a basis for a flow-on of that increase to other workers and thus endangered the wage restricting purposes of the Accord and the principles, both of which were supported by the ACTU and the employers in general.

(c) The building unions' BIRP wage increase demand and subsequently their superannuation claim were both associated with proposals for settlement of disputes procedures based on "peace in industry" and common interests between employers and workers in relation to the development of the industry, concepts on which the Accord is based and to which the ACTU leadership subscribes.

(d) The manner in which the building industry claims were pursued and the early involvement of the ACTU officially and formally in negotiations with the building industry employers and in representations with the Hawke Government gave it a dominant role in enforcing on unions in a "turbulent" industry strict compliance with the "peace in industry" industrial relations processes, thus strengthening the ACTU's capacity to deliver on its side of the Accord and to effectively close off any flow-on of superannuation to other workers.

(e) The Sorcerer's Apprentice (ACTU Secretary Kelty) was obliged to deliver to the Sorcerer (Prime Minister Hawke) compliance of a grouping of unions regarded as left, particularly the BWIU, in support of the Accord and the government's strategy in relation to the economy, that is, co-operation between unions and employers.

The price for that was cheap, bearing in mind the total outcome.

What accounts for the differing decisions of two Full Benches of the Arbitration Commission on virtually the same issue? Why did one Full Bench refuse to endorse a wage increase, even though it was agreed to and submitted specifically for approval, and at the same time reject as an unsatisfactory cost "off-set" a form of "peace in industry" proposal while another Full Bench approved a superannuation scheme which was not in fact before it and accepted as a satisfactory cost "off-set" the very same "peace in industry" proposals?

Was this because the second Full Bench saw more clearly than the first the opening to rope in superannuation schemes as a labour cost covered by the Arbitration Commission's principles and consequently subject to supervision and control by the commission and an opening to "hog-tie" a left-wing led union and the chance to push the ACTU into the role of policeman on its affiliates in connection with the Accord and the commission's wage restricting principles?

These questions are answered by clear inference and implication. And the answers are not favourable for either the building industry workers or for the workers in general. An end result may well mean the introduction of a superannuation scheme for building industry workers and that could very well be regarded as a positive outcome.

The building unions, having won a wage increase contrary to the intentions of the Accord and the Arbitration Commission's guidelines, rapidly abandoned the claim when it was rejected by the commission. The leaders of the building unions had fervently espoused the Accord and became enmeshed in a contradiction of their own making — either abandon the wage claim and the necessary struggle for it or repudiate the Accord. The first consideration won. The restrictions and the class collaborationist concepts of the Accord were thereby strengthened.

There is a price to pay for such activities and those responsible will know that price when they are inevitably called to account for what they have done.

### **Builders Labourers threaten harmony**

The activities connected with this matter were extended during the months of September and October, 1984. Despite agreement by other building industry unions, the Builders Labourers Federation (BLF) and the Plumbers' Union continued to hold out against the restrictive provisions of the "peace in industry" proposals.

The two organisations appeared to proceed independently in relation to this matter and for their efforts, each was subjected to condemnation by the government, the Arbitration Commission and other building industry unions.

Employer organisations asked the Arbitration Commission to punish the Plumbers' Union for its recalcitrance by eliminating from plumbers' award rates the 1983 and 1984 National Wage Case increases, a total reduction of 8.3 per cent.

The union stood its ground and ultimately negotiated with the employers concerned a "settlement of disputes" provision which it claimed was much less restrictive in relation to industrial action by plumbers than was the provision in relation to the other building industry unions. The activities related to the position adopted by the BLF were more extreme.

Once the prospects of a straight-out wage increase vanished, the BLF was as anxious as any other union to obtain for its members the advantage of an increased payment from the employers even though it had to be by way of a complicated superannuation scheme.

However, that union found the "peace in industry" provisions too restrictive for its purposes and its officials declined to sign the necessary document covering the terms of the superannuation scheme and the associated "peace in industry" scheme.



This stand was said to threaten the whole scheme since the building industry employers were insisting that all the unions had to give the same undertakings in relation to dispute settlement procedures. During the period in which these events took place, the BLF was involved in a series of disputes over several issues and particularly matters of work demarcation.

### Criticism not a licence to hound

The state of conflict was aggravated for the BLF by some of the methods used by some of its members in pursuing their disputes. We do not support the BLF's use of such methods. The SPA has criticised and on some occasions has condemned the BLF and its members for its "go it alone" methods and tactics which involved violence and the threat of violence against other unionists.

But legitimate criticism of the BLF and opposition to its methods in no way justifies or excuses the series of unprecedented actions threatened and taken against the union following its legitimate refusal to become a willing party to unacceptable restrictions on the right to take forms of industrial action in support of members' demands.

Certain building unions obtained the support of the NSW Labor Council in condemning the BLF for establishing and enforcing observation of a picket line on a Sydney building construction site in support of a demand for payment for time lost during an earlier strike and for reinstatement of 14 of their number previously dismissed.

The BLF has for some time not been affiliated with the NSW Labor Council, having been expelled. Unable to take disciplinary action against the BLF, the Labor Council asked the ACTU to consider expelling the union from the ACTU. (The BLF is affiliated with other Labor Councils throughout the country and its General Secretary, N Gallagher, is a member of the ACTU Executive.)

The ACTU did not accede to the request but its Executive did approve a decision by the NSW Labor Council authorising other building industry workers to cross the BLF picket line at the Sydney building site. The BLF responded by imposing bans on concrete pours, thus threatening the continuation of a number of building projects.

Members of the BLF also crossed a picket line established by other building unions on a construction site in Newcastle. That picket was established because the employer concerned had not become a party to the Building Unions Superannuation (BUS) scheme.

At the time of that episode, it became known that a large number of employers in NSW were in the same position. The Queensland Government had taken steps which prevented the operation of the BUS scheme in that State and Queensland employers took steps to challenge the legality of the BUS scheme

### Animosity now a main feature

Thus in total, the much vaunted superannuation scheme which was to be the alternative to a wage increase for building industry workers became something of a "schmozzle" and the relations between the unions in the industry became a mess.

Irrespective of the validity of some BLF tactics, there can be no doubt that the attacks on the union at this time stemmed from its refusal to be bound by certain restrictive provisions in relation to industrial disputes which were part of the price for the BUS scheme.

For this state of affairs, the ACTU leadership must share the blame. They were active participants in the scheming and manoeuvring associated with the substitution of a superannuation scheme for a direct wage increase. For their pains, they were called upon by the building industry employers to discipline the BLF.

These events show that the building industry unions were in a position to campaign unitedly to win a direct wage increase which was denied them by the Accord and by the Arbitration Commission's wage restricting guidelines which, however, some major unions willingly undertook to observe.

Instead they wheedled a superannuation scheme of limited value, made substantial concessions to the employers in the nebulous cause of "industrial peace", obtained approval of all this from an arbitration body on grounds of doubtful validity and created a state of animosity amongst the unions involved in the industry.

The BWIU was the main force on the unions' side in this scheming. This state of affairs is all the more surprising considering the views expressed by the BWIU Assistant National Secretary to the union's National Biennial Conference (September 24-27, 1984). He said: "The capitalist system is in a serious and insoluble crisis" and "in these economic circumstances, the struggle between the conflicting interests of the workers and employers will intensify".

It is for Tom McDonald to square his active participation in selling "peace in industry" for a rigmarole of superannuation with his declarations of "insoluble crisis" and the intensification of "the struggle between the conflicting interests of workers and employers" and his warning (in the same report) that employers will endeavour "to force workers to carry the burden of the crisis".

On the one hand, he disarms the workers by processes of class collaboration and concern for "peace in industry" in relation to industrial dispute settlement procedures. On the other hand, he acknowledges, at least inferentially, the need for the same workers to prepare to meet an intensification of the struggle between their interests and the conflicting interests of their employers and to resist employers' efforts to force workers to carry the burden of "a serious and insoluble crisis".



## Other dangerous developments

Towards the end of 1984, the processes which marked the actions of the building industry unions were carried even further by other unions representing other workers in the building industry. These were the metal industry unions, the Australian Workers' Union (AWU) and the Transport Workers' Union (TWU).

They negotiated with the building industry employers a superannuation scheme called the Australian Unions Superannuation Trust (AUST). The AUST scheme has the same main features as the BUS scheme, including payment by the employers of \$11.90 per week on behalf of each worker covered by the scheme, a dispute settlement procedure, provision for no extra claims on working conditions, a commitment to the wage indexation guidelines and an assurance that the scheme will not flow on to the unions' members in other industries.

However, they added another provision of particular significance which allows individual employers to apply for a deferment from the AUST scheme on the grounds of inability to pay because of economic downturn or "contractual" arrangements.

This is a very dangerous provision. If it is a valid provision in relation to an employer-financed superannuation scheme, which under any name is a wage cost, then it is valid in relation to any other wage payment. It adds to the consideration of the same principle, although in a differing form, which Judge Ludeke adopted in relation to a salary increase for academics in June 1984 and to which we have earlier referred. (See section headed *The Clayton's Pay Rise*)

This so-called principle of wage fixation, that is, capacity to pay, is vigorously supported by Liberal-National Party forces and sections of the employers. It has always been opposed by the workers' organisations.

The *Sydney Morning Herald* in reporting this matter (21 December, 1984) referred to the National Secretary of the Metal Trades Industry Construction Council (MTICC), Mr Derek Buckland, as saying that "by agreeing to a phasing in of the scheme, and exemptions to companies which were in trouble, the unions had recognised the depressed state of the construction industry".

That position adopted by the unions will be recalled for them repeatedly by the employers in future.

The terms accepted by this grouping of unions constituted the cost off-set without which the Arbitration Commission would not accept the superannuation \$11.00 cost to wages. This adds to the cost exacted from the unions by the Accord.

## Chapter 8

# Lessons of Commonwealth public servants

The January 1985 rejection by a Full Bench of the Australian Arbitration Commission of a claim for 8.3 per cent increase in the wage rates for Commonwealth public servants provides further lessons in relation to the operation and purposes of the Accord.

This claim was first filed with the Arbitration Commission in December 1983 and was permitted by Principle 6 (a) (iv) of the commission's 1983 National Wage Case guidelines. From there on, the unions concerned proceeded to establish that an anomaly existed in relation to their wage rates which required a wage increase of 8.3 per cent to correct it.

A variety of conferences and arbitral proceedings took place during 1984, including a prescribed "anomalies conference" in accordance with the commission's principles and a formal reference of the matter to a Full Bench.

The unions concerned prepared a detailed survey of wage rates being paid in both public and private employment for work and occupations comparable with the areas covered by the wage claim. The public service unions claimed this survey proved their contention of an anomaly in wage rates and the need for 8.3 per cent increase to overcome it.

The Federal Government hesitantly conceded a degree of anomaly but contended that it warranted only a two per cent wage increase. In particular, the government demanded a guarantee that even such a small increase would not be used by other unions to seek a flow-on to their members. The ACTU convened a conference of unions likely to seek such a flow-on but no guarantee such as demanded by the government was forthcoming.

The unions pressed their claims before the Arbitration Commission primarily on the grounds of long-standing principles of wage assessment such as



"comparative wage justice" and "relativities" and the fact that their survey showed that by comparison with and relative to wage rates being paid for comparable work and related occupations in State public services and in private employment, the Commonwealth servants they represented were disadvantaged.

### Hawke Government opposes unions

The Federal Government, through Industrial Relations Minister Willis, took a stand which was in effect opposed to the unions' claims.

Once again the ACTU "sat on the sidelines" despite the fact that the General Secretary of the largest union involved, Paul Munro of the Administrative and Clerical Officers' Association (ACOA), is a member of the ACTU Executive.

The Commission Full Bench headed by Mr Justice Ludeke rejected the claim of an anomaly, rejected the money claim in full and rejected the grounds on which the money claim was advanced. The reasons for this total rejection by the commission are significant and have application to other unions and other claims.

Pertinent sections of the commission's decision, given on January 10, 1985, are: "Consideration of the claims in 1984 has been undertaken in a very different environment to the conditions which applied in 1982, 1981 and earlier. In 1981 and 1982 the commission was not required to test the claims against the restraints imposed by the wage fixing system now in place." (emphasis added) In discussing its role in the 1981 proceedings, the Full Bench declined to take into account a number of matters and stated:

"Our task is to set fair and reasonable rates of pay for the work now under consideration.

"In the 1982 case, the applicants had the same view. It was stated that what was sought was fair and reasonable rates on a comparative wage justice basis.

"On those earlier occasions the position of Australian public service salaries in relation to other public sector salaries and salaries paid by some private employers was considered a matter to be taken into account in fixing fair and reasonable rates but it does not follow that that situation in 1984 amounts to an anomaly that requires rectification. (emphasis added) We have come to the conclusion that the history of the market relied on by the applicants does not support the claims. Against that history we reject the submissions that the circumstances in which the claims were brought are of a special and isolated nature. We hold that there is no anomaly requiring a rectification."

### Ruled out by Accord

So there it is in plain and simple language. What was acceptable before — that is, a measure of "fair and reasonable rates" — is, by reason of the commission's 1983 National Wage Case Principles which impose restraints on the wage fixing system, no longer acceptable as a ground for wages assessment. Furthermore, the criteria for establishing an anomaly requiring rectification are very much more strict than previously.

All this is set out quite clearly in the commission's principles decided upon in 1983. Principle 6 *Anomalies and Inequities* states:

"(a) Anomalies

"(i) In the resolution of anomalies, the overriding concept is that the commission must be satisfied that any claim under this principle will not be a vehicle for general improvements in pay and conditions and that the circumstances warranting the improvement are of a special and isolated nature." and,

"(iii) The doctrine of comparative wage justice and maintenance of relativities should not be relied upon to establish an anomaly because there is nothing rare or special in such situations and because resort to these concepts would destroy the overriding concept of this principle."

On that basis, the rejection of the unions' claim — both as to the existence of an anomaly and the 8.3 per cent wage increase — was in accordance with the commission's wage restraint guidelines.

Criticising the Arbitration Commission's rejection of their claims and supporting their campaign of bans aimed at compelling satisfaction of those claims, the unions involved declared that the attitude of the government in relation to the claims, if not the commission's actual decision, was contrary to the provisions of the Accord.

They coined and popularised the slogan **The Accord says pay**. To support this, they quoted and apparently relied on a single paragraph which, under the heading *Australian Government Employment*, says:

"The Australian Government employment sector will not be a pacesetter in established wage rates and cost-related conditions comparable in other public sector employment and in the private sector. However, the government will ensure comparability of such conditions with the relevant State public sectors and the private sector fully consulting the industrial organisations concerned for their advice and guidance."

On the surface and read in isolation from other sections of the Accord, the terms of the paragraph appear to support the contention of the public service unions that the government is acting contrary to the Accord.



## The Accord's intentions

However, the Accord cannot be read as a series of separate proposals, let alone a series of separate paragraphs.

The Accord must be read as a whole and in the light of its basic purposes which include restraining the level of wages, boosting the level of profits and involving the unions in tripartite activities with the government and the employers in solving the economic and social problems of capitalism without in any way affecting the basis of capitalism. These facts are not understood by the leaders of the public service unions.

For example: Under the heading *The Nature of Prices-Incomes Policies*, the Accord states: "Both parties (the ACTU and the ALP) acknowledge the importance attached to the goal of maintaining and gradually improving the living standards of all Australians. (our emphasis) The achievement of this goal via an **incomes and prices policy approach** (our emphasis) will require a suppression of sectional priorities and demands given economic realities and the priority placed by both parties on simultaneously reducing unemployment and the rate of inflation." The 8.3 per cent wage increase claim was a "sectional" demand.

Under the heading *Wages and Working Conditions*, the Accord states: "Both parties recognise that if the essential conditions of the centralised system are met that there shall be no extra claims except where **special and extraordinary circumstances** exist. (our emphasis) The no extra claims provisions will apply to both award and over-award payments."

The wage restraining principles of the Arbitration Commission are based upon and are an elaboration of the provisions of the Accord.

## Some more lessons

The unions, including the public service unions, accepted the Accord and gave to the Arbitration Commission an unqualified undertaking to abide by the commission's wage assessment principles including the undertakings in relation to "suppression of sectional priorities and demands"; no extra claims "except where special and extraordinary circumstances exist"; the resolution of anomalies only where "the circumstances warranting the improvement (for example, a wage increase) are of a special and isolated nature".

In those circumstances the experiences of the public service unions reveal:

- \* The extent to which the government and the Arbitration Commission are prepared to go in enforcing the provisions of the Accord and the commission's wage assessment principles aimed at restricting the level of wage rates.

- \* The failure of the union leaderships to fully understand the nature and purposes of the Accord and the commission's prin-

cles to which they gave willing agreement.

- \* Possibly the assumption that the restrictions of the Accord and the wage principles would not affect claims "already in the pipeline". (Earlier we referred to this factor in relation to the building industry unions.)

The ACTU gave no support to the campaign of work bans developed by the public service unions and aimed at obliging the Hawke Government to change its attitude to the 8.3 per cent wage claim. Instead the ACTU suggested that the unions develop another approach to their claim which may get around the commission's decision — a shady and probably hopeless proposition.

## Government again attacks union

The ACTU offered no support to the unions concerned when Industrial Relations Minister Willis moved successfully to obtain from the Arbitration Commission the power to stand down those of its employees who maintained the union-imposed bans. This action was intended to break the bans and defeat the purposes of the unions and their members.

Perhaps some trade union leaders believed that the real purposes of the Accord and the Arbitration Commission guidelines could be "bent" or "put aside" so that they would not apply to them. Such thinking has proved to be naive. It is also a fact that many had not even read the Accord when they put their hands up to endorse it in February 1983. The same cannot be said about the guidelines, however.

The above experiences require from the unions involved a totally different approach to the Accord to that which has been adopted to date.

## Some conclusions on experiences to date

In total what has been put here provides a basis for the conclusion that, in relation to the workers' income aspects of the Accord, experience to date shows:

- \* The unions have accepted a proposition which they have traditionally rejected: that the level of wages is a main factor determining price levels and accordingly wage levels should be restrained. They accepted the false economic theory often pedalled by Malcolm Fraser and John Howard that restraint of wages leading to higher profits would result in increased investment and consequently more jobs.

- \* Wage levels having been restrained, the price of labour power as a cost factor in economic activity has substantially declined.

- \* Associated with that development, profit levels have risen and the percentage proportion of national wealth going to profits



has risen in a period when the percentage proportion going to wages and supplements to the non-profit making sections of the population has declined. Although profits are up substantially, the promised increase in investments has not followed.

\* The scope for seeking increased wage rates, allowances and improved working conditions for the workforce has been reduced and for all practical purposes is limited, except for exceptional circumstances, to half yearly wage indexation related to CPI movements and consideration of national productivity increases.

\* The authority of the Arbitration tribunals and their control over workers' wages and conditions has been greatly extended and enhanced.

\* The unions have lent themselves to severe restrictions on the rights of workers to act effectively to defend and improve their living standards.

\* The Labor Government and the ACTU leadership are capable and willing to resort to extensive and unprecedented means of enforcing on the workers and their unions strict compliance with the concepts of restricting wage levels for the purpose of enhancing profit levels.

\* In addition to the Arbitration Commission principles, some unions have adopted "peace in industry" proposals and settlement of disputes procedures hindering the development and implementation of bans, work restrictions, strikes and other forms of direct action necessary to back up their demands.

### **The Accord's concepts to be maintained**

Despite these adverse affects for workers of the operation to date of the Accord, it is intended that the Accord should be continued and that the features of the wages system contained within it should become a permanent feature.

This is attested to in the Arbitration Commission's National Wage Decision of April 1984. In discussing the Accord and its alleged purposes and referring to submissions made by the Commonwealth in support of a 4.1 per cent increase, the commission's decision says:

"The Commonwealth stressed that it would be inappropriate to assess the claim for a 4.1 per cent increase solely in the context of the immediate economic situation. The problems of low growth, high unemployment and inflation over the past eight years, it said, cannot be overcome quickly. The unions' claims and their settlement by arbitration should be viewed in the

'context of the medium and longer term operation of a rational and stable system of wage fixation and industrial relations'. The present case, it said, was part of a system designed to operate both in circumstances which prevail now as well as when economic recovery is more fully established."



## Chapter 9

# The Accord intended to continue

The intended long-term life for the Accord is attested to in a speech made by Mr R Willis, the Minister for Employment and Industrial Relations, to a gathering of a section of the Metal Trades Industry Association (MTIA) on March 4, 1985.

Addressing himself to the question of perspectives on the year ahead, particularly in relation to industrial relations and certain economic questions, Mr Willis stated: "As we have moved into this year, two expressions of alarm have been forthcoming from various groups.

"One is that the Accord will collapse and we will therefore be subject to a wages 'free for all'. The other is that the Accord will not collapse at all, but will lead to wage increases that are beyond our capacity to pay — and so destroy our competitiveness and economic recovery.

"I wish tonight to confidently predict that both groups of doomsayers will be wrong — that we will continue through 1985 with the maintenance of the Accord and the continuance of strong economic growth.

"The Accord will continue to be the cornerstone of government policy. It remains strong and viable and, despite assertions to the contrary by the Opposition and some commentators, there are no plans for its renegotiation."

Later in that same speech and referring to the intention of the Arbitration Commission to review its September 1983 national wage decision, Mr Willis said: "I am sure all parties will be anxious to vary the principles to some degree. I would be surprised if there were any major changes."

So, at least in the mind of the Minister for Employment and Industrial Relations — the minister most immediately concerned with implementing the Accord on behalf of the government — there is no intention to abandon the Accord, to renegotiate it or to make any substantial changes in it.

The same intention in relation to a long life for the Accord is more than inferred by the ACTU decision published under the title *The Way Forward* to which we have already made reference.

It is clearly revealed in speeches made by ACTU Secretary W Kelty and, in particular, a speech he made to the annual convention of the AWU on January 22, 1985. It is also spelt out in a publication prepared by the Trade Union Training Authority (TUTA) entitled *Unions in Accord — A Package for the Future* which has been distributed for use in boosting the Accord.

### ACTU claims ruled out

Although there is obviously no intention to review or in any way renegotiate the Accord, there is an apparent intention to review the September 1983 National Wage Case decision and the so-called "principles" for wage assessment contained in that decision.

Mr Willis speech reveals that he does not expect "any major changes" in these principles. But unless there are substantial changes to them, the series of claims that the ACTU Executive has put in train by its recent decisions will not "hit the ground". The claims include:

- \* Increased wage rates for women workers based on a newly devised concept of work value. This claim is specifically not permitted under the existing wage fixing principles. (Incidentally, this claim could be made also on behalf of some male workers.) See Principle 4 *Work Value Changes*, 1983 National Wage decision.

- \* Supplementary payments for those not currently entitled to them in the terms of existing awards. This claim by the ACTU is aimed specifically at improving the position of lower paid workers and those with supplementary payments below a certain level.

While it would not apply to all workers, it would nonetheless have a beneficial effect for a substantial body of workers in a wide range of occupations and industries.

This claim is specifically prohibited by the existing wage fixing guidelines of the Arbitration Commission. Principle 8 *Supplementary payments* states: "The commission will refuse claims for new supplementary payments. Existing supplementary payments should not be increased except for national wage adjustments."

- \* Reduction of standard hours of work to 38 per week. This claim would have application only to those areas where a 38-hour week does not already exist. However, there are heavy restrictions on reduction of standard hours in the commission's wage fixing guidelines such as to make a claim in the current circumstances almost impossible to achieve.



Principle 5 *Standard Hours* of the wage fixing guidelines states: "(a) In dealing with agreements and **unopposed** claims for a reduction in standard hours to 38 per week, the cost impact of the shorter week should be minimised. Accordingly, the commission should satisfy itself that as much as possible of the required cost offset is achieved by changes in work practices.

"(c) The commission should not approve or award improvements in pay or other conditions on the basis of productivity bargaining. These improvements should only be allowed on the basis of the appropriate principle."

It can never be taken for granted that employers in the areas where a 38-hour week does not currently operate will strenuously oppose its introduction. Under those circumstances, the claim for standard hours will not even be considered by the Arbitration Commission. Furthermore, the principle quoted shows that the shorter hours cannot be obtained on the basis of "increased productivity".

\* A claim related to superannuation.

Never before in the history of trade unionism in Australia has a claim been associated with such uncertainty, hesitancy and confusion as is the case with the ACTU claim in relation to superannuation. This confusion is added to by two reports current at the time this publication was prepared.

The first report indicated that the ACTU would not proceed with a claim relating to increased productivity until after the review of the so-called principles of wage fixation contained in the Arbitration Commission's 1983 National Wage Case Decision.

The second report was to the effect that the ACTU would prepare an application relating to increased productivity and this, it was said, was made necessary by a tendency on the part of some sections of the trade union movement to accept the idea of a broadly based consumption tax. A productivity claim was needed to help make the indirect taxation proposal palatable.

On the surface, it would appear that Principle 2 *National Productivity* of the Arbitration Commission's decision would permit an application for the introduction of superannuation as a change "in conditions of employment".

The fact of the matter is that an earlier decision by the commission relating to the building unions superannuation scheme (BUS) — referred to in chapter 7 — rules out superannuation being treated as part of a "social wage" and clearly makes this matter an issue to be presented to and decided by the commission.

Principle 2 *National Productivity* states: "Upon application and not before 1985, the commission will consider whether an increase in wages and salaries or changes in conditions of employment should be awarded on account of productivity."

Whereas this principle does not name a date in 1985 when the commission would consider matters related to productivity, its decision does state the following: "That the principle will apply until October 1985 when a review of the principles will take place close to that expiry date upon application for a review."

From that, it is clear that no consideration of a claim based on productivity will be possible before the review of the principles which will not take place until close to October 1985. No doubt it was a realisation of these facts that caused the ACTU to put its superannuation claim on to "the back burner" until later on.

### Dangers in superannuation claim

In relation to the superannuation claim, early in 1985 the Socialist Party of Australia issued a document titled *Some Views on the ACTU'S Superannuation Proposals*. The statement opened with the following:

"The proposals of the Australian Council of Trade Unions (ACTU) in relation to superannuation and which constitute part of that body's 'national retirement package' will be of limited value to workers and the emphasis being given to superannuation as a priority claim based on increased national productivity is of doubtful validity.

"Furthermore, success with this claim is open to extreme doubt and in some respects certain factors associated with it could prove dangerous to workers.

"The introduction of national superannuation would seriously undermine the existing system of government paid pensions and disqualify many millions of workers from qualifying for such pensions."

In the course of an extensive analysis of the ACTU superannuation proposals contained in its 1984 publication *The Way Forward*, the SPA statement says: "An examination of the available details of the ACTU proposals reveal many gaps and all too little advantage to workers in general to warrant their acceptance as a satisfactory claim for compensation to workers for increased national productivity.

"This is especially so having in mind that apart from wage indexation, national productivity is the only basis available for claims for **general wage** increases under the Arbitration Commission's wage restricting guidelines."

The prospective abolition of the current system of government funded old age pensions (and other similar payments) is more than hinted at in the Accord itself and the ACTU Executive decisions published in *The Way Forward*.

The Accord (Section 5 *Supportive Policies*, sub-section (d) *Social Security* and under the heading *Further Policy Development*) states: "An immediate



priority will be consideration of a possible role for a national superannuation scheme; more fundamental change may need to involve the creation of a specific fund into which workers could contribute for their own personal and family security."

In *The Way Forward* and contained in one of the propositions for "Retirement Incomes", there is the following proposal: "(d) A pension, which is not subject to any means test, to be funded on a supplementary basis by a levy. This in effect would be national superannuation."

From all this, it is clear that the unclear proposals on superannuation being bandied around by ACTU spokesmen have in mind a replacement of the current government funded pension schemes either in whole or in part.

A further matter of concern in relation to superannuation proposals, including such schemes as the BUS and the AUST operating in the building construction industry, is that the commission has already indicated that the introduction of such schemes funded by employer contributions could be taken into account in applying national wage indexation proposals to particular awards and industries.

It is essential that the trade union movement spell out in clear language exactly what it is demanding in relation to superannuation and, secondly, that it be made crystal clear that the establishment of superannuation in any form will not be allowed in any way to reduce or affect the union movement's fight for the retention of adequate government funded pension schemes and payments to the sick and unemployed.

## Chapter 10

# The Accord's encumbrances must go

The experiences of the operation of the Accord which we have set out in the earlier part of this publication plus the position now confronting the trade union movement in relation to the four main claims currently being advanced by the ACTU emphasise the need for the union movement to rid itself of the encumbrances of the Arbitration Commission's wage restricting guidelines.

This necessity raises the need for the trade union movement to reject the Accord which provides the basis for the commission's so-called "principles" in its guidelines.

Section 4 *Agreed Policy Details* of the Accord, under the section headed *Wages and Working Conditions*, states: "Both parties recognise that if the essential conditions of the centralised system are met, there shall be no extra claims except where special and extraordinary circumstances exist. The no extra claims provision will apply to both award and over-award payments."

Thus, even if the Arbitration Commission was to abandon Principle 3 *Other Claims*, which prohibits general wage increases except in the form of half-yearly indexation and increased wages for changes in conditions of employment based on national productivity, the restrictive provision in relation to extra claims would still remain as part of the Accord. This would undoubtedly be used as a deterrent if not a prohibition to any of the claims such as those the ACTU is advancing or any other claims advanced by individual unions.

Prime Minister Hawke has provided further evidence of the need for the unions to abandon the Accord. He is reported (for example *Workforce* No 532, March 20, 1985) as having spoken of the Accord permitting discounting of the CPI.



He is also reported to have told a meeting of the Economic and Industrial Societies on March 14, 1985, that the "inflationary threat, the need to preserve the recent improvement in Australia's international competitiveness, and deterioration in Australia's terms of trade ... are all relevant to the deliberations of the Australian Commission (Arbitration Commission) in any future productivity hearing".

In connection with his reported statement about discounting the CPI in relation to wage increases and this being done within the bounds of the Accord, we can only assume he is trading upon the following references in the Accord which appear in Section 4 *Agreed Policy Details* and under the heading *Wages and Working Conditions*.

The first paragraph of this section states the following: "The principles of wage fixation should be such as to provide wage justice to employees while seeking to ensure that wage increases do not give added impetus to inflation or unemployment."

This is one of the very specific provisions of the Accord which shows the ACTU as accepting the theoretical proposition that the level of wages is a factor contributing to inflation and unemployment.

The opening paragraph of the Accord says: "The maintenance of real wages is agreed to be a key objective. It is recognised that in a period of economic crisis, as now applying, that this will be an objective over time."

Another provision in this section of the Accord states: "In formulating claims for improved wages and conditions at the national level, the unions will have regard to government economic policy and will consult with the government on the amount of such claims."

These provisions of the Accord gain added significance when considered in conjunction with:

- \* Continuing uncertainty as to the sustainability of current economic improvements and the obvious "patchiness" of that improvement.

- \* The government's extensive efforts to appease big business demands for further deregulation of the economic system, the assertion of market forces as the determinant factor in relation to economic development and even further improvement in profit levels.

- \* The government's variety of actions leading to deregulation of the finance system, the floating exchange rate of the Australian dollar, lifting of various controls on the banks, the entry of foreign based banks and the extension of foreign exchange organisations.

- \* The 1985 National Wage Case decision and its ominous discounting of the CPI by 0.1 per cent for wage indexation purposes.

- \* The incessant calls by the organisations of big business, the mass media and practically every economic analyst and forecaster for reductions in youth wages and the discounting of the CPI for effects of Australian dollar devaluation and the effects on prices of the forecast extension of the incidence and rate of indirect taxation.

- \* The public statements of leading members of the government supporting those last proposals.

### **Arbitration Commission warns unions**

In the 1985 National Wage Case, the employers urged the Arbitration Commission, particularly through the Confederation of Australian Industry (CAI), to refuse any wage increase or alternatively to discount the CPI by not less than 1.9 per cent for three factors — indirect taxes and charges, industrial disputes and superannuation in the construction industry.

The commission rejected the employers on this occasion but its decision contains some very significant observations for the unions.

The commission also rejected the ACTU claim for a 2.7 per cent increase in wages and discounted that figure by 0.1 per cent because there was a recorded drop in the CPI early in 1984 and there was no review of wage rates in August that year. The last review was made in April 1984 covering the CPI movements in the September and December quarters of 1983.

In making the decision to discount, the commission said: "It is proper that any CPI movement, positive or negative, occurring in a period for which there was no review, should be taken into account in any subsequent inquiry.

"This is consistent with the underlying objective of Principle 1." (This is a reference to the principle of the commission contained in its 1983 National Wage Case decision.)

"It is also consistent with the statement in the Accord that 'the maintenance of real wages is agreed to be the key objective' of the principles of wage fixation. Moreover it was generally understood at the time the principles were introduced in September 1983 that the Medicare effect would amount to between 2 and 3 percentage points and would be fully reflected in national wage movements."

Under a heading *Commitment to the Principles*, the commission referred to its 1983 National Wage decision and to the principles it contained and said: "The principles have now been in operation for 18 months. **An essential ingredient of those principles is the continued commitment by the unions to accept and**



**abide by their terms.** This commitment has been strongly supported by the ACTU and the Commonwealth Government." (emphasis added).

Some references are then made by the commission to certain instances of industrial action by unions which is not in accord with the principles and the commission warns: "**It is implicit in the undertakings given by the unions that decisions of the commission in connection with the application of the principles will be processed and accepted without recourse to industrial action.**" (emphasis added.)

The undertakings referred to are those demanded by the commission as the price for inclusion in awards of the national wage decisions.

By those statements, the Arbitration Commission is wrapping around the heads of the unions the consequences of their participation in the Accord and their acceptance of the commission's wage restricting guidelines.

### **Hawke supports CPI discounting**

Against these threats (or warnings), consideration needs to be given to statements of Prime Minister Hawke and other members of his government — Treasurer Keating, Finance Minister Walsh and certain of the "faction" leaders in the Labor Party.

Addressing a section of building industry employers at the end of March (1985), Mr Hawke warned of a "tough" government budget later in the year and spoke of the need for the government to face up to making some unpopular decisions.

Referring to the record low level of the Australian dollar's exchange rate, the *Sydney Morning Herald* (April 5, 1985) recorded: "The dollar has now fallen 32 per cent against the US dollar since it reached its post-float high of US\$0.965 in March 1984."

That is a fall of almost one third in slightly more than 12 months, almost all of which occurred in a near constantly downward movement in the first three months of 1985.

Such instability in a nation's currency has adverse effects on its economy. This is already happening in Australia and in a united call for action by the government to meet this situation, directed at serving the interests of big business and overseas speculative investors, the anti-union forces are demanding an end to full indexation of wages.

This strident call is made despite the acknowledged fact that a main effect of the Australian dollar devaluation is to increase the prices of a range of goods which increase living costs.

In those circumstances, Prime Minister Hawke has at least cast doubt on the government's intentions to maintain its support for wage indexation. The

*Sydney Morning Herald* (April 5, 1985) carried two articles dealing with the dollar devaluation and referring to Mr Hawke on that matter.

Stephen Hutcheon quotes the Prime Minister as saying: "In respect of wages, I can say that the government will be ensuring that there is not an unnecessary reflection into wages in this country of what's been happening."

In a second article, Hutcheon joined Milton Cockburn in recording: "But the Prime Minister yesterday ruled out immediately action to try to correct the slide of the dollar saying: 'Once you float the dollar, you float it.'" Further on they wrote: "On wages, he repeated his pledge that the inflationary effects of the devaluation of the dollar would not be fed into wage increases."

### **No help from Accord**

Our earlier quotations from the Accord show it to be rather ambiguous in relation to "wage justice" and "the maintenance of real wages". It offers little protection from attacks on wage indexation which are being pushed by big business and are inherent in Mr Hawke's public statements.

The most ardent supporters of the Accord amongst the union leaders from the left, right and centre place great emphasis on full indexation of wages as a main feature of the Accord. In the 1985 national wage hearing, the ACTU advocate assured the commission that any downgrading of full indexation would weaken support for the commission's wage fixing principles.

W Mansfield, General Secretary of the Australian Telecommunications Employees' Association (ATEA), a member of the ACTU Executive and a firm supporter of the Accord, defending his union's policy on the Accord, told the ATEA Queensland State Conference in July 1984 that "if there is no full indexation, there is no Accord. It is as simple as that".

However, the facts show that the issue looming for the workers — the maintenance of the purchasing power of their wages in the face of rising prices — is not "as simple as that".

An equally disturbing situation confronts the workers in relation to the government's proposed "taxation reform". Public statements by leading members of the government indicate that the reform will take the form of transferring some of the weight of PAYE tax — a form of direct taxation — to a so-called "broad based" indirect tax.

It is clear that such a tax will increase the prices of goods and services and thus raise living costs for workers. However, the anti-union forces are chorus-ing for action to ensure that price increases resulting from government taxes are not included in the CPI for wage indexation purposes.

Since Prime Minister Hawke intends that price increases resulting from the effects of dollar devaluation are "not fed into wage increases", he must have the same intentions in relation to price increases resulting from the imposition



of a tax on retail sales. In other words, the Prime Minister intends to have the CPI discounted for certain price rises.

On this matter too, the Accord is of little value to the workers. In relation to taxation, the Accord provides:

"The government will **endeavour** to reduce the **relative** incidence of indirect taxation because of its regressive and inflationary nature.

"In the event that economic or social circumstances at some future date necessitate, in the view of the government, a general rise in taxation, the government will **discuss** this matter with the unions before seeking to give effect to it." (emphasis added.) (See Statement of Accord, section 4 *Taxation on Government Expenditure*.)

These provisions give no guarantee against the maintenance or even an increase in the current burden of taxation on the workers.

### Action needed on ACTU Congress decisions

Compared with the Accord, the ACTU 1983 Congress decisions are very much more positive and helpful for the workers. The congress called for a number of actions to increase the incidence of taxation on the wealthy and for vigorous actions against tax avoidance and evasion. It called for:

"The immediate broadening of the tax base in order to increase the equity of the system as a whole, involving redistribution of the tax burden and an expansion of the **taxable income** base. Review of the structure and base of indirect taxation and a reduction of the relative incidence of indirect taxation." (Minutes. 1983 Congress, *Economic Policy* page 52)

On the matter of wages, the minutes (page 153) state: "Congress reiterates that the ACTU cannot and will not be a party to a central system which results in the systematic reduction in the real value of wages".

On page 154 under a heading *The Maintenance of the Real Level of Wages*, the minutes record: "Congress states that it is essential that wages must be rapidly adjusted to account for movements in prices to ensure that the objective of restoring and maintaining the purchasing power of wages and salaries is met. Only through full wage indexation and tax indexation will the real purchasing power of wages be maintained.

"Congress reaffirms its view that automatic quarterly cost of living adjustments based on the published eight-capitals CPI figure is the most appropriate method of achieving this objective. Further that wages must be adjusted to reflect national productivity increases."

Under the heading *Method of Achieving Wage Justice*, the minutes (pages 155 and 156) record the following decisions:

"3.1 The trade union movement has consistently sought to achieve its objectives through a combination of national and minimum wage increases, individual award/agreement reviews and over-award payments and tax indexation.

"3.2 In seeking to increase wage rates, the trade unions have been committed to direct negotiation, conciliation and arbitration.

"3.8 Congress reaffirms its belief that wage increases through national wage increases, individual awards and over-award payments both within and outside the conciliation and arbitration system should continue to form the basis for wage fixation in this country."

Congress decisions were made after the adoption of the Accord but before the Arbitration Commission's wage restriction principles were imposed. They contradict both the Accord and the principles and contradict the policies pursued by the ACTU leadership and the Hawke Government.

We have already pointed to the absence of any indication of a revision or renegotiation of the Accord. What we are now pointing to emphasises the urgency of the unions cancelling their participation in the Accord and fighting instead for implementation of the decisions of the ACTU Congress.

Those decisions are not all that could be desired but they more truthfully reflect the best interests of the workers than the provisions of the Accord, the Arbitration Commission's principles, the Hawke Government's wages and prices policies and the views expressed by certain ACTU leaders.



# Proposal for the Accord to be permanent

The most significant indication of the intentions of some people to make the Accord an everlasting concept is provided by ACTU Secretary Kelty in statements he made to the Arbitration Commission concerning a claim by public service unions for an increase in wages.

In an earlier part of this publication dealing with experiences of the Accord to date, we record some of the events in connection with the public service claim and advance the view that the decision of the Arbitration Commission rejecting these claims was soundly based upon the provisions of the Accord and the Arbitration Commission's wage restricting guidelines.

Faced with formidable direct action in various bans imposed by the public service unions, the ACTU sought to rescue the Accord from attack by the unions involved and to avoid a union-government confrontation on issues arising from the Accord which would threaten its continued existence.

For this purpose, the ACTU took over the case and found a "dodge" permitting them to make another claim on behalf of the public service unions for very much smaller wage increases.

In pursuing this lower wage claim, ACTU Secretary Kelty announced to the Arbitration Commission the complete abandonment by the ACTU of such grounds for wage increases as "comparative wage justice" and "relativities" between wage rates and classifications.

These two grounds have been used by trade unions for many years. They were the specific grounds used by the public service unions in seeking an increase of 8.3 per cent in wage rates contained in their relevant awards.

In announcing the ACTU abandonment of these grounds, Mr Kelty indi-

cated the acceptance by the unions of one of the Arbitration Commission's principles on a permanent basis.

Principle 6 *Anomalies and Inequities* states: "(iii) The doctrines of comparative wage justice and maintenance of relativities should not be relied upon to establish an anomaly because there is nothing rare or special in such situations and because resort to these concepts would destroy the overriding concept of this principle."

So what is put in the Arbitration Commission's guidelines as a restriction to apply in relation to establishing an anomaly or an iniquitous situation is now adopted by the ACTU Secretary as a permanent feature of wage fixation.

This interpretation of Kelty's position is validated by the fact that the unions, in accordance with the commission's demands, gave undertakings to observe the terms of the 1983 National Wage decision which laid down the restrictive guidelines.

It is clear that, so far as some leading figures in the Labor Party and the trade unions are concerned, the Accord and the wage fixing guidelines based upon the Accord are here to stay.

As already mentioned, the intention to perpetuate the Accord is revealed in the document titled *ACTU — The Way Forward*, in speeches by ACTU leaders and, in particular, a speech by ACTU Secretary Kelty in January 1985 and by a publication issued at the instigation of the ACTU by the Trade Union Training Authority (TUTA) and titled *Unions in Accord — A Package for the Future*.

Each of these documents and Mr Kelty's speech proceed on the basis of an acceptance of the capitalist system and its consequences without even the slightest suggestion of basic changes in the system, its structure and its functioning and on the assumption that the unions will lend their weight to ensure the functioning of the system.

Nowhere in the two documents or Mr Kelty's speech is there the slightest hint of a change of the system such as socialism — despite the fact that the objective of the ACTU is for the socialisation of industry, production, distribution and exchange.

### No change from *The Way Forward*

Far from anticipating any change, the *ACTU — The Way Forward* proceeds on the assumption of the continuation of the Accord almost as it now stands. In *5 Wages and Working Conditions*, the document states:

#### "1. Wages

"Essentially, the environment for improving wages and working conditions is set by the Prices and Incomes Accord.

"National wage cases will consequently be the principle means of improving wages.



"2. Sectional Claims must be justified on the basis of arguments that justify a special and extraordinary position.

"Given the Wage Fixing Principles this means that anomalies, inequities and work value are the only basis for justifying special treatment."

Under this same section, the ACTU document goes on to speak of difficulties associated with establishing for purposes of various awards what is the "Metal Industry Standard". The document then states:

"The ACTU has therefore taken the view that there needs to be some special reason, over and above that of applying the Metal Industry Standard, if a union wishes to have the support of the ACTU in establishing a special case in the clerical and professional area." (The reference to "the clerical and professional area" in that part of the decision arises out of some difficulty in applying the Metal Industry Standard to clerical and professional groups.)

In Section 1 under the heading *Investment Agreements*, the decision states: "Agreements involving employers, governments and unions should be promoted. Given undertakings by government to assist industry and commitments by employers, unions will be encouraged to be party to agreements in which:

- \* The commitment to the Prices and Incomes Accord is reaffirmed;
- \* the unions and members are involved in the processes of decision-making;
- \* proper determination of demarcation disputes is undertaken;
- \* processes of handling disputes are considered.

"The specific industry or specific investment agreements, involving all principal participants, will afford the greatest degree of certainty in making substantive investment decisions."

Inherent in this decision is the intention to maintain and continue in active operation the Prices and Incomes Accord and to have the unions make concessions to employers in return for them agreeing to invest more money so as to improve their profit making capacities.

### Unions to help solve crisis problems

Earlier in this publication, we referred to features of the Accord which impose upon workers and their unions a large part of the responsibility for correcting the crisis features of the capitalist system without disturbing the social order of capitalism and its economic system. *The Way Forward* validates that view.

Under the heading *The Direction of the Trade Union Movement*, the document speaks of the participation and responsibility of the trade unions.

The question arises: participating with whom, in what and responsibility to whom? If it is participation in formulating policies with the government, that could be advantageous. If it means participation with the employers, it must mean a method of compromising the trade union movement and the working class itself.

If the reference to responsibility means responsibility to or with the government, then such an approach is detrimental to the interests of the workers for the trade union movement is and can be responsible only to its members.

In the same section, the document goes on to say: "This approach will obviously not be without its difficulties and cannot be expected to be implemented without question or concern. This approach must necessarily involve the union movement in wider understanding, in greater commitment and increased involvement.

"We will need and must receive the support of government and employers in providing the means of co-operation and the relevant information to allow meaningful participation. The Union Movement, if it is to be a **social and economic partner**, cannot be misused or denied information, representation and involvement. Unionism and union participation must be integral to the community. (emphasis added)

"It would be naive to expect that this direction would go unchallenged. Such a direction involves a sharing of power and responsibility."

Again questions must be posed. What is it that the union movement must have a wider understanding of? To what and to whom must it have a greater commitment? With what and with whom is it to have an increased involvement? With whom is the trade union movement to be a social and economic partner and with whom and how is the movement to share power? For what is it to share responsibility?

The Socialist Party of Australia has described the Accord as a vehicle for class collaboration and we submit that this ACTU Executive decision published under the title *The Way Forward* confirms our view.

In this connection, reconsider the quotation that the trade union movement "must receive the support of government and employers in providing the means of co-operation and the relevant information to allow meaningful participation".

It is inescapable that that process is to involve the unions in assisting the government and the employers in coping with the crisis of capitalism and that the Accord is a means of enabling the unions to play that role — assuming such a role is possible for the unions.

### Kelty speech confirms the purpose

This contention also arises from the January 1985 speech by Mr Kelty. This was published in full in the AWU journal, *The Australian Worker* (January 31, 1985).



It appears from a reading of this speech that Mr Kelty was speaking from inadequately prepared notes or, in a manner of speaking, off the top of his head since some of the speech reads oddly and Mr Kelty does not lack a capacity to express himself.

Even allowing for this probability, the speech is a mess of morbid and confused thinking which reveals the basic ideological thinking behind the Accord and the approach of people such as Mr Kelty to issues confronting the workers and the trade union movement.

He says that "unionism throughout the world is in decline; that decline is very rapid in some industrial nations". He refers in particular to the position in the USA and the United Kingdom and paints a very grim picture of the current position and future prospects of trade unionism in those two advanced capitalist countries.

Later in his speech, he says: "Trade union leaders, I think, rank in popularity I think about the same as a real estate salesman and you have got to be pretty unpopular if you're down to that level. We are down at the bottom; the public's perception of trade unionists varies but what you have seen over a generation of inculcation is that popularity has started to, step by step, diminish. We are seen as an exclusive self-interested group of people and so one must recognise that in any democratic society with long periods of conservative government, that is a trend which is going to be inherent."

Mr Kelty's speech appears to attribute this state of affairs to the effects of mass communication means such as television and radio, the unattractiveness of regular forms of trade union meetings and to the affluence of workers.

There can be little doubt that these factors have had an effect upon workers. However, Mr Kelty fails to note that the level of trade unionism and, more importantly, trade union and political consciousness amongst the workers is the result of a deliberately contrived, cleverly conceived and ruthlessly executed ideological campaign against the working class and its organisations by the very people that the Accord and some of Mr Kelty's policies would have the workers and their organisations join in tripartite activity and consensus.

Mr Kelty then goes on to list a number of what he calls "inescapable economic facts". Referring to employment, he claims the need for the economy to provide "from now until the next 13 to 15 years" over 120,000 additional jobs. That number of jobs, he says, is necessary not so that unemployment may be reduced but so that it may be kept at its present level.

To achieve that rather limited purpose, he says there is need for the economy to grow at a rate "of between 4.5 to five per cent per annum". Having set out that inescapable economic fact, he sets out a further inescapable economic fact in the following terms:

historically we have only been able to achieve a growth rate over long periods of time of about three per cent and as a nation throughout our entire history, without exception, we have never been able to achieve a growth rate of more than five per cent for more than three years on any occasion throughout our entire history. So as an economic fact, if one was simply to look at the history, one would simply say that that task itself is beyond us."

Against that background of what he apparently assumes to be an impossible achievement in the growth rate of the economy, Mr Kelty poses the outcome if the growth rate is only one per cent per annum. He estimates that within five years, "the level of unemployment in this country will be 25 per cent recorded unemployment".

Next he gives a brief outline of the possibilities of employment in the main sectors of the economy — manufacturing, rural, mining and the services sector. This brief outline reveals little possibility of increased employment in any of the areas except the services sector and this, as he rightly says, will be possible only in circumstances of increased living standards and increased private consumption capacity, none of which seems to be likely to occur.

In the same morbid tone, Mr Kelty turns to another "inescapable economic fact" — the ageing of the population. This, he says, reduces the number of people in and available for the workforce. This number is further reduced by those who retire early as a concomitant of technological development.

From his remarks, the following picture emerges. In previous times, a male would commence work at 15 and retire at 65. In this period of 50 years, he would contribute to society's resources and provide for a limited period of retirement, usually about four to five years.

Today, the male worker is likely to commence work at 20 and retire at 55. That leaves only 30 years of working life in which to contribute to society's resources and to prepare for a retirement not of only four or five years but possibly 20 years.

In both cases, the government has to finance a retirement pension. In earlier times, this was for only four or five years but in today's circumstances, it will be for possibly as long as 20 years.

The inescapable economic fact that Mr Kelty was pointing to here is that increased longevity, plus the call for early retirement, increases the cost to the individual and/or to society of the period of retirement.

Mr Kelty spends a great deal of time in his speech elaborating on superannuation as the answer to this problem. He justifies at length the concept that he and some of his colleagues in the ACTU leadership have of supplanting government-financed pensions with contributory superannuation.

On this background, Mr Kelty paints a scenario of unions being "down at



the bottom" in public opinion, with the media setting about weakening the position of the unions and reducing them further in public opinion.

Then in his scenario, somebody, apparently the government, gives the employers "the real strength to take on the unions" and for this purpose, they convert the trade unions into corporations "and fine them for every industrial activity".

In this terrifying scenario painted by the ACTU Secretary, the fines are not small but reach the level of thousands of dollars, even adding up to millions of dollars. (Mr Kelty's speech was made before the recent legislation of the Bjelke Petersen Government in Queensland and there can be no doubt that Bjelke Petersen and others of his ilk would like to create a position where unions will be bankrupted).

How does Mr Kelty see the trade union movement meeting this serious challenge? He says: "As a trade union movement, objectively, we have not had to face up to a set of circumstances taken in totality which is so challenging. The only parallel could be in the early stages of the development of this country as a nation itself. **That is the task of the trade union movement — to face up to that challenge.**"

His speech refers to the position he considers exists in the United Kingdom and the USA and then says: "The trade union movement therefore I think in this country has to develop a completely alternative strategy, an alternative strategy based on our strengths, understanding our weaknesses."

The speech says little in elaboration of this alternative strategy but it does make two specific points which seem to be the basis for Mr Kelty's thinking on the way in which the trade unions should respond to the serious situation he depicts.

He says: "We have to support Labor governments and not to be frightened to say that we support Labor governments because it does give us a protection. Labor governments won't deliver us everything. They will make mistakes undoubtedly, but nevertheless they are far better than the alternative. They are the only party which is prepared to embrace trade unionism, the only party prepared in effect to embrace the right of a worker to belong and to take effective action within the trade union movement."

Some of that view may well be open to doubt in the light of what we said earlier in this publication about the government's vigorous opposition to actions by the FPU, the FFTS and the public service unions.

However, leaving that point aside, Mr Kelty's thinking on this matter does not see a Labor government in any better light than being a preferable alternative to a government of the parties of open political reaction. He does not see Labor governments providing solutions to the problems workers face in a capitalist society.

After dealing with the serious decline of trade unionism in certain developed capitalist countries, he says: "In this country, I think we have headed down a different direction against the trend in some democratic societies throughout the world, but a different direction which has its pains, which has its mistakes and it has its conflicts — and nobody can pretend that it does not.

"But nevertheless it has as its basic ingredient the attempt to maintain and improve decent living standards for people who need it most and has as its **basic objective trade unions being involved as legitimate, economic and social partners in the economic decision-making of this country.**"

This repetition of the concept of the unions as "economic and social partners" again raises the question: partners with whom? The question of the unions having a say in economic decision-making is raised again — where, how and in conjunction with whom?

If it is the Labor Government, there is little so far to indicate acceptance of the unions playing the role that Mr Kelty speaks of.

In fact, the unions are not economic and social partners in economic decision-making. That is confirmed by statements and decisions by Prime Minister Hawke and Treasurer Keating concerning such issues as taxation, discounting of the CPI in relation to wage indexation, floating the dollar, admitting foreign banks and so on.

In fact, the unions are also not "legitimate economic and social partners" with the employers. That is confirmed by employers' consistent opposition to wage indexation, their drive to reduce the wages of non-adult workers and the strong stand of the employers against even the mild pricing guidelines of the Prices Surveillance Authority.

Mr Kelty's speech adds to the available evidence showing that the basis of the Accord lies in the concept of class collaboration. Basic to Mr Kelty's thinking is the unions collaborating with governments and employers to maintain and strengthen the system of capitalism.

It is clear from Mr Kelty's speech that he does not share the idea of the need to change the system of capitalism. But all experience, including that which the unions have undergone since the Accord was adopted and that which confronts them in the immediate future, emphasises the imperative need for a change of the order of society.

That concept and not the concept advanced in Mr Kelty's speech best serves the interests of the workers. The concepts advanced in Mr Kelty's speech, however, are the basis for the Accord.



## Chapter 12

# TUTA aid invoked

In pursuance of the aim of maintaining the Accord as a permanent feature in Australia, the aid of the Trade Union Training Authority (TUTA) has been invoked.

The significance of this lies in the fact that TUTA is used for the training of a large number of trade union officials and trade union activists. The body, which is financed substantially by the Federal Government, is being used to inculcate in the minds of a large number of trade union activists the idea of the value of the Accord and more particularly, a concept of class collaboration as a legitimate process for the working class.

At the request of and in close collaboration with the ACTU, TUTA has produced an *Information Kit for Union Officials*.

This is a costly, hard cover production with excellent printing on good quality fine board and is really intended to seduce those to whom it is addressed. It includes the 1983 National Wage Case Decision Principles and a copy of the Accord.

Its purpose is to explain the Accord and elaborate on its main features. Needless to say, this is done to convince those to whom it is addressed of the great value of the Accord.

Its opening page, explaining why the kit was produced, states: "Since March 1983, there have been many changes in Australia's economy and our industrial system which affect all trade unionists. Through progressive implementation of 'The Accord', the Agreement between the ACTU and the ALP, these changes set a new scene for trade unions.

"In order to operate effectively within the new framework, trade union officials need to understand the reasons why changes were necessary, the nature and scope of those changes, and the way in which the changes can benefit workers, and the Australian community in general."

In those few words, the concept is conjured up of a situation quite new to the trade unions, one in which the old relationship between capital and labour is no longer in existence and concepts based upon that old relationship are no

longer valid. It is intended to present the idea that trade union officials need a new approach to the questions affecting their members. This is part of the process of encouraging the idea that the previous attitudes are no longer valid and that there is a change in the class relationships in society.

The publication contains three sections titled: (1) *The Strategy*, (2) *The Policies Package* and (3) *The Future Challenge*.

Introducing the section titled *The Strategy*, the TUTA kit says: "This section of the kit sets the historical scene for today's industrial realities. It describes the crisis in Australia's economy which led to the Accord Agreement, explains what the Accord is all about and outlines the economic strategies contained in the Accord.

"Finally it leads us into the future, explaining that **the Accord is merely the beginning of a new economic direction for Australian trade unions.**" (emphasis added)

The words we have emphasised are particularly significant. Like so much more that is said in the kit, they are intended to create the idea in the minds of union officials that something new is occurring in relation to the national economy. This is emphasised by subsequent quotations.

Section 1 *The Strategy*, under the heading *What is the Accord?*, says: "The Accord is an agreement between the ACTU and the ALP. Its formal title is 'Statement of Accord by the Australian Labor Party and the Australian Council of Trade Unions Regarding Economic Policy'. It sets out broad goals in managing Australia's economy and presents the ACTU and ALP views on the best way of reaching those goals.

"The Accord's main thrust is to maintain and improve the living standards of **all** Australians, taking into account all the economic and social factors which influence an individual's, or a family's, standard of living."

These few words frankly spell out several facts about the Accord which are either generally hidden or not very well publicised by its supporters.

First, it is to be noted that the Accord has nothing to do with the employers. They are not parties to the Accord, they are in no way bound by it, they do not have any obligations under it. It is simply an agreement between the ALP and the ACTU.

Its broad goals are related to managing Australia's economy — that is, Australia's capitalist economy — and it sets out the views of the ACTU and the ALP on the best way of managing the capitalist economy.

The Accord's main thrust is directed at improving the living standards of **all** Australians — that is, we are all in this together, labour and capital.

The TUTA document sets out ten separate steps taken to bring the Accord into existence, starting in August 1980 and finishing in February 1983, the



month in which the Accord was finally adopted by the unions.

This is mentioned because, as a matter of fact, the overwhelming majority of those who voted to adopt the Accord at the Conference of Unions on February 22, 1983, had not seen the document prior to going into the meeting at which they voted.

On page 1.3.2., the TUTA publication deals with the *Prices and Incomes Approach* and refers to conflict that arises between various sections of the community. The document says: "This process of conflict becomes more intense as greater economic activity in a recovery increases the market power of some groups.

"The Accord proposes policies on prices and incomes to moderate and control this process of conflict, the policies aim to even-handedly moderate sectional income demands from groups within society so that the process of conflict over incomes results in lower inflation than otherwise would be the case."

Here is further evidence of how the Accord is to be used to overcome the inevitable conflict between capital and labour by an even-handed approach, thus ensuring capital its rights and labour its rights but, above all, not altering the position in favour of labour.

In the next section, titled *The Policies Package*, and dealing with *Economic Growth and Employment*, the following is stated: "As we have seen before, the first step in the process of industry development was to establish the machinery for planning".

It then sets out a number of bodies that supposedly have been established for the purpose of planning that industry development. These include the Economic Planning Advisory Council, on which the trade unions are represented at ACTU level, the Australian Manufacturing Council and a number of industry councils.

The TUTA document lists the names of approximately 40 trade union officials from more than 20 unions who are members of either the Australian Manufacturing Council or the various industry councils.

This is supposed to provide proof that (a) the economy is being planned so as to encourage or even guarantee the development of industry as a basic sector of the economy, and (b) that the unions are able to participate in this planning.

In fact, no such process is taking place. The economy is not being planned and the big corporations are proceeding to develop their industries as they see fit. The position of the Amalgamated Metal Workers Union (AMWU) provides proof of this statement.

Through its official organisations and spokesmen, the AMWU has been

almost rapturous in support of the Accord. However, the union felt obliged to publish its own document concerning industry development and, more recently, a document critical of the position of industry entitled *Australia on the Brink*.

This document was not prepared by the union, its officers or its research organisation. It is the work of a group of economists functioning out of the Melbourne University as the National Institute of Economic and Industry Research. For its assistance to the AMWU, the group received a large sum of money from union funds.

Publication by the union of these documents arose from its dissatisfaction with the government's stand in relation to industry planning and the ineffectiveness of its efforts to have industry planned on the basis of reviving the metal engineering sector of manufacturing.

On page 2.1.7. of the TUTA document, extensive reference is made to "the steel industry plan". This plan was introduced at the instigation of the steel monopoly, BHP. Prime Minister Hawke boasted of it as one of the outstanding successes of the government.

The TUTA document says: "An example of the Accord's policy of planned consultation and intervention, the steel industry plan, aims to create a long-term, viable steel industry, providing continuing job security for its employees. The plan involves the Federal Government, BHP Australia and steel industry unions."

Under the plan, the Hawke Labor Government guaranteed the wealthy BHP company millions of dollars in the form of a bounty aimed at ensuring a certain level of the market for particular steel products. BHP on its part undertook to invest more money in the steel industry thus, of course, increasing its profit-making capacities.

To date, the main effects of this plan are that the labour force has been reduced by many thousands, with workers thrown on to the scrapheap, productivity has greatly increased and BHP has gone on to the highest ever profit levels of a company in Australia and is currently (April 1985) heading for a repeat performance of that record profit level.

Despite this, the plan is not succeeding and BHP is looking for further assistance. The press recently announced "The Hawke Government's Steel Industry Plan, hailed at its launch 18 months ago as a bold and innovative scheme for revamping Australia's ailing steel industry, is under threat of collapse well before it has run its full five year course from January 1984 to the end of 1988".

The even-handed approach referred to earlier as a feature of the Accord and the participation of union representatives in the Steel Industry Authority have not prevented either the failure of the plan or the burden being placed upon the workers



In the third section of the TUTA publication, under the heading on page 3.2.3 of *Your Union and the Future*, the following is stated: "For the first time in Australia's history, and at the highest levels, trade unionists are making joint decisions with governments and employers on matters which directly influence the working lives of their members.

"To accept this role effectively, unions clearly have to be well equipped to influence decision-making from well informed consideration of industry performance and prospects."

It will come as a surprise to many to know that the unions, that is, the members of unions, are making joint decisions with governments and employers.

The second point made in this statement is intended to emphasise that the unions are required to become competent to help the big corporations develop their industries.

This publication adds to the evidence that the Accord is intended to enmesh the unions in processes of class collaboration for the purpose of maintaining and strengthening capitalism.

## Chapter 13

# Conclusion

The employers are not fooled by the kind of talk in these documents. Their organisations, in particular the Confederation of Australian Industry (CAI) and the Business Council of Australia (BCA), make it perfectly clear that they want a free rein to develop their industries and that they are not going to share either information or authority with anybody.

Even when the Arbitration Commission makes a decision which gives only a minimum amount of protection to workers' jobs, there is a great hullabaloo about interfering with management prerogatives. Under appeal from the employers, the Arbitration Commission backed off from some of its first decisions on this question.

Whereas the Accord, the ACTU Secretary's speeches and the TUTA publication are intended to encourage the workers to believe that they have some common interest with the employers, the employers' main spokesmen are making it painfully clear that they have no common interest with the workers except to the extent to which they need to get the workers to work harder to boost the level of profits and, above all, to refrain from industrial action to enforce their legitimate demands.

The real interests of the workers require that the Accord be abandoned and that the unions maintain their independence and their traditional role as defenders of the interests of the workers against employers and against governments — even, when necessary, against Labor governments.

The evidence we have brought forward here shows that the Accord is being used not to advance the interests of the workers but to have them carry the main burden of economic crisis and to have them limit their efforts to improve their position, even in periods of economic uplift.

The issue here is not for or against the Labor Government. The issue is for or against an independent trade union movement capable of defending and advancing the economic and political rights of the workers.

The Socialist Party of Australia has advanced proposals aimed at serving the best interests of the workers. These require a curtailment of the economic and political power of big business and the development of the free and independent action of the working class organised in the trade unions and labour movement political organisations. The Labor Government should co-operate with the unions for this purpose.





### Your opinion

We would be pleased to know your opinion of this book.  
Please send your comments to:

Socialist Party of Australia  
65 Campbell Street  
Surry Hills  
NSW 2010

# The GUARDIAN

## A new, working class weekly paper

Relevant, thought provoking and committed, **The GUARDIAN** is essential reading if you want to keep up with the political scene in Australia and around the world.

**The GUARDIAN** provides interesting, factual information about the Australian labour movement, political and economic developments and the international situation.

**The GUARDIAN** will be a voice for workers battling for jobs and better wages, a fighter for the rights of women, migrants, Aborigines and young people.

**The GUARDIAN** knows where it stands — for peace and nuclear disarmament, for the removal of US bases and for our country's national independence.

The weekly **GUARDIAN** offers you a real alternative to the newspapers published by Murdoch, Packer and the other media barons.

**The GUARDIAN** doesn't deal in lies or idle speculation — it provides the truth about what is happening in Australia and the world today.

### Special offer to new subscribers

Get 10 issues of **The GUARDIAN** for only \$5

Please send me the Special Introductory Offer of 10 issues for \$5

Name .....

Address .....

..... Postcode

Fill in and return with cheque/money order to: **The GUARDIAN**, 65 Campbell Street, Surry Hills NSW 2010.