

# 20

## UNIONS

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Participation by peak trade union bodies and their affiliates in the 2019 federal election continued a tradition established in 2007 of major public political campaigns by unions. In that election, the ACTU campaigned against the Howard Government's unpopular 'WorkChoices' industrial relations laws, which had come into operation in 2006. WorkChoices reduced the employment conditions of millions of workers. The ACTU's campaign against the laws helped elect the Labor Party led by Kevin Rudd to government from Opposition, and the Rudd Government then repealed significant parts of those laws.

At the next election, in 2010, unions played a prominent defensive campaign role that helped to protect the Gillard Labor Government. Australian union peak councils have since given priority to spearheading campaign efforts that seek changes of government from the Liberal-National Coalition to Labor.

Some of these campaigns have had strikingly positive effects, such as in the 2014 Victorian State election. In that campaign, the human faces of ambulance paramedics and firefighters were successfully presented to win support from voters for specific, long-delayed wage rises rewarding the valued work in the community done by those emergency services personnel.

In the 2016 federal election, when Labor nearly dislodged Malcolm Turnbull following Tony Abbott's overthrow as prime minister in 2015, unions were again widely credited for a professional and effective grassroots campaign. That campaign highlighted the need for improved wages of lower-income workers in the outer suburbs and regions. It also urged better provision of public health and education.

## **Australians' views on union and business power**

By 2007, the proportion of Australians regarding unions as having too much power had dropped to little more than one-third—down from more than two-thirds in the early 1990s when the first steps towards enterprise bargaining were taken. After 1993, the proportion of Australians thinking big business had too much power rose above the proportion regarding unions as having too much power for the first time in the past half-century (1969–2019), according to the AES and its predecessor surveys. The proportion of Australians who think big business has too much power has stayed above the proportion who think trade unions have too much power ever since those lines crossed after 1993 (Cameron and McAllister 2016: 84).

Australian unions' efforts to rectify this unfair, long-term imbalance against working people included playing a prominent role in the string of by-election campaigns held during the 45th parliament, in 2017 and 2018. Most of those by-elections resulted from disqualification of parliamentarians ruled technically ineligible for election under Section 44(i) of the Australian Constitution (see Chapters 2 and 3, this volume).

Although none of the by-elections prompted by disqualification resulted in a change of seats from one party to another, one notable change of individual personnel occurred when former ACTU president Ged Kearney, a former nurse, entered the House of Representatives for Labor after the Batman by-election on 17 March 2018. She comfortably defeated the challenge from the Greens, whose vote had steadily risen in that seat in the six previous electoral contests. Kearney reversed the trend against the ALP in Batman because of her contrast with the two preceding male Labor MPs, who were preoccupied with factions and machinery or were out of step with some widespread socially progressive views held in that electorate in Melbourne's northern suburbs.

## Examples of union campaign themes in 2019

The Australian Nursing and Midwifery Federation (ANMF) ran advertisements on YouTube in the 2019 national election campaign dramatically presenting the plight of Ruby, one of many patients in aged care facilities suffering from the lack of a legally sanctioned minimum nurse/carer to resident ratio. The ANMF, a union representing members in a feminised industry, argued that ‘our parents and grandparents deserve the quality of care that they once gave to us but across Australia people like Ruby are suffering because of chronic understaffing’. It declared that it was time to act to ensure ‘our loved ones ... have at least a minimum number of nurses and carers on every shift’. The campaign asked voters to enter their postcode on a website to identify their local politician and thus enable a letter to be sent by the union to those MPs who were not supporting better staff-to-patient ratios in aged care facilities.

The Australian Education Union’s ‘Fair Funding Now’ campaign, meanwhile, featured advertising on social media and a fleet of 10 branded vans travelling across Australia to engage with school staff and parents in local communities. That campaign highlighted the much bigger commitments to government school funding given by Labor and the Greens than by the Coalition parties.

The union covering cleaners in the Australian Capital Territory, United Voice, maintained a high profile following a strike by its members employed in the Commonwealth Parliament House in the previous term through its campaign to achieve a pay rise for the workers who ‘clean the people’s house’ but who had received no wage increase for five years (United Voice 2018).

### ‘Change the rules’

The ACTU, in its own television and radio advertisements in the lead-up to the election, featured different individual workers from different industries and age groups speaking about the difficulties of long hours and job insecurity. Those advertisements then declared: ‘This is not Australia. Change the Government to Change the Rules.’

A more general ‘Change the Rules’ campaign had been launched by the ACTU soon after the election of Sally McManus as its secretary (McManus 2017), financed by its now well-established levy on ACTU-affiliated unions for campaigning purposes.

That campaign—to alter the laws set by politicians for employment relationships—had multiple objectives, including to make corporations and wealthy individuals pay a higher share of tax, to give working people more power and to overcome job insecurity associated with a highly casualised workforce. As part of this—and following the scandals revealed by the banking royal commission and the subsequent Hayne report—an emboldened ACTU embarked on a confident national 2019 election campaign in 16 targeted seats, as part of which it also conducted opinion polls (see Chapter 8, this volume).

**Table 20.1 ACTU targeted seats**

State	Seat	Party holding seat prior to election	Margin by which seat held prior to election (%)
NSW	Banks	LIB	1.44
	Gilmore	LIB	0.73
	Reid	LIB	4.69
	Robertson	LIB	1.14
Vic.	Corangamite	ALP*	0.03
	Dunkley	ALP*	1.03
Qld	Capricornia	LNP	0.63
	Flynn	LNP	1.04
	Forde	LNP	0.63
	Herbert	ALP	0.02
	Leichhardt	LNP	3.95
	Petrie	LNP	1.65
WA	Pearce	LIB	3.63
	Swan	LIB	3.59
SA	Boothby	LIB	2.71
Tas.	Bass	ALP	5.42

\* Notionally after redistribution

Source: Karp (2019a).

The results, however, fell well short of those ambitions.

## Union overreach in Victoria

Expectations were especially raised in Victoria after the November 2018 landslide re-election of the Andrews State Labor Government, which was widely seen as a reward for that government's proven positive first-term performance in building big public infrastructure and other policy initiatives. There was also a perceived hostility in that progressive State towards the dumping as prime minister of the comparatively small-l liberal Malcolm Turnbull by the forces behind arch-conservative Peter Dutton, which resulted in Scott Morrison's elevation to the prime ministership in August 2018.

The Victorian Trades Hall Council was, however, unable at the federal election to achieve its own ambitious aims to win further seats (beyond the ACTU's own targeted seats) held by the Liberal Party with high margins between 6 and 13 per cent. These included the outer southern Melbourne electorate of Flinders and the eastern Melbourne suburban electorates of Deakin, Menzies, Higgins and Kooyong.

**Table 20.2 Victorian unions' additional targeted seats**

Seat	Margin held by Liberal Party before election (%)
Flinders	7.01
Deakin	6.44
Menzies	7.81
Higgins	7.38
Kooyong	12.82

Source: Hannan (2019).

While many of the voters in the very affluent seats of Higgins and Kooyong are small-l liberal voters with socially progressive views on issues such as climate change and refugees, they are, above all, economic or market liberals who are not likely to respond positively to trade unions. The average swing to the Labor Party in those five seats was just over 3 per cent and the Liberal Party's hold on all of them was not seriously threatened.<sup>1</sup>

<sup>1</sup> All references to swings and seat margins in this chapter are in two-party-preferred terms and all data on results are from the AEC website.

The Victorian unions also failed to achieve a Labor win in the less affluent seat of Chisholm in Melbourne's mid-eastern suburbs (which it had held from 1998 to 2016), despite a swing to the ALP there of more than 2 per cent. Nor did the ALP win the outer south-eastern suburban Melbourne seat of La Trobe (which it had held from 2010 to 2013); indeed, there was a swing against it there of more than 1 per cent. There were swings of between 1 and 2 per cent to the ALP in Dunkley and Corangamite, but these electorates had already been rendered notionally Labor by redistributions. They made up two of only three targeted seats in which the ACTU succeeded Australia-wide. Labor does now hold 21 of the 38 federal seats in Victoria but that is likely to be close to the maximum it can expect to win.

## **Outcomes in the ACTU's targeted seats nationally**

The only other ACTU-targeted seat nationally that Labor won was Gilmore in New South Wales. There was a swing to Labor of more than 3 per cent in Gilmore but this was due to the imposition of a controversial Liberal Party candidate, which divided the established local Coalition politicians. Nevertheless, the ALP holds 24 of the 47 federal electorates in New South Wales (and gained a 1.5 per cent swing towards it in the ACTU-targeted seat of Reid in that State).

The ALP also holds all three seats in the Australian Capital Territory and both seats in the Northern Territory. The ACTU campaign lost two electorates that it was aiming for Labor to retain: Bass in Tasmania (with a swing of nearly 6 per cent against Labor) and Herbert in north Queensland (with a swing against Labor of more than 8 per cent).

The ALP's problems in winning a national majority include the fact that it holds only two of the five seats in Tasmania, only five of the 10 seats in South Australia (despite a 1.3 per cent swing towards Labor in the ACTU-targeted seat of Boothby) and only five of 16 in Western Australia (where the only positive for the ACTU at the 2019 election was a swing of nearly 1 per cent to Labor in the targeted seat of Swan). The ALP's biggest problem, however, is that it holds only six of the 30 seats in Queensland.

## Jobs versus the environment in Queensland

The ACTU campaign failed to gain any of the five seats it was seeking to win for Labor in Queensland. The worst trend was in the central Queensland seat of Capricornia, where there was a swing of nearly 12 per cent against the ALP in an electorate the party had held from 1998 to 2013. The result was not much better in Flynn, a seat closer to Brisbane, where the swing against Labor was nearly 8 per cent. In Forde, south of Brisbane, the swing against Labor was also nearly 8 per cent, and in Brisbane's outer northern suburbs, the seat of Petrie (which Labor held from 2007 to 2013) swung against Labor by nearly 7 per cent. Forde and Flynn, and the seat of Leichhardt in far north Queensland, which was also unsuccessfully targeted by the ACTU, had all been held by Labor from 2007 to 2010.

How Queensland differed from the rest of Australia in 2019 was the salience of the issue of jobs versus the environment, particularly in the five seats closest to the proposed Adani coalmine (see Chapter 11, this volume). This exposed the need for more effective material economic policies, from both Labor and unions, which connected with workers, families and communities threatened by the phasing out of coal and other declining industries and for a 'just transition' into tangible, adequate and secure new employment in renewable energy or elsewhere, including through substantial investment in quality skills retraining.

Skills and jobs, including the potential for many new jobs such as through further investments in major solar power expansion, needed to be a much bigger Labor policy focus. The plight of workers in central and north Queensland who were feeling insecure about their future employment proved to be a disastrous blind spot for Labor.

Different unions, and different divisions within unions, had put forward conflicting policies on the proposed Adani coalmine, to be located in the electorate of Capricornia. Some in the unions—like some in the ALP—signalled opposition to the mine in line with environment-minded voters in inner Melbourne and Sydney. Others did not rule out support for the mine in accordance, for example, with the position held by the Queensland mining division of the CFMMEU.

This equivocation caused serious losses of votes from Labor in coalmining communities in Queensland and beyond (for example, the Hunter electorate in New South Wales), and there were also large swings against Labor in regional communities worried about job losses more generally (including in the Tasmanian seats of Bass and Braddon). Parallels can be drawn in this respect with Labor's seat losses in Tasmania in the 2004 'forestry' election (see Simms and Warhurst 2005).

## **Labor's loss of working-class voters**

One initial interpretation of aggregate data advanced by the Grattan Institute was that Labor lost votes particularly among people on low incomes with less formal education and who were further from the centre of capital cities (Chivers 2019). The Australian National University's Ben Phillips, meanwhile, found from Australian Bureau of Statistics (ABS) census and AEC data that a particularly strong driver of the two-party-preferred swing to the Coalition at the electorate level was the share of blue-collar workers—an overall correlation of 61 per cent, which was even stronger for Queensland (Phillips 2019).

This, however, is at odds with the interpretation of comprehensive survey data, which emphasises the extent of support still given to Labor compared with the Coalition by voters who work in blue-collar, sales or services jobs, have lower to middle incomes and who are employees (see Chapter 12, this volume). It would be helpful to have such survey data disaggregated by geographic region in sufficiently large numbers to better compare the extent of Labor's loss of working-class voters in Queensland (or in particular regions of Queensland, as discussed in Chapter 11, this volume) with the trends in other States.

It is unlikely that the proportion of unionists voting Labor as their first preference in 2019 rose to as high as the 63 per cent who voted Labor in 2007. The actions by the Coalition Government then had weakened the working conditions of millions of voters, which was a central policy reason for the election of the Labor Party led by Rudd from Opposition to office.

Some media commentators have asserted that working-class people turned away from Labor in 2019 because those workers had suddenly been transformed into capitalists. The voting trend was more likely because many workers were very worried about the risk of job losses.

Insecurity about employment may, ironically, have made many working people in Australia at the 2019 election more likely to stay with the incumbent government (despite its own turnover of leaders) rather than risk the set of miscellaneous but substantial policy changes put forward by Labor, for fear that those might bring further economic uncertainty. This is doubly ironic given that Labor in 2019 had specific policies to move workers currently categorised as ‘casual’ into more secure permanent work. That policy, however, did not assure those workers who feared total losses of their jobs in particular industries and regions.

## **Attempts to make the election a ‘referendum on wages’**

The election was characterised by Shorten and other Labor frontbenchers from March 2019 as a ‘referendum on wages’, following widespread concern about the longstanding trend of wage stagnation in Australia. Labor promised to gradually increase the minimum wage to turn it into a ‘living wage’. The ALP also indicated that it would allow a long-time objective of unions for a return to ‘pattern bargaining’, or multi-employer bargaining, to replace the reduction of bargaining to the individual enterprise level since the early 1990s, which had so weakened union power and real wages.

Pattern bargaining would only be allowed though for employees in low-wage sectors such as early childhood education and care. This was certainly an appropriate sector on which to focus given that its highly feminised workforce makes it representative of the continuing, serious problem of gender wage inequality in Australia. However, the ALP’s announcement of how it would achieve higher wages for early childhood education and care workers was not made until late in the election campaign and it involved large spending, with very complex details. These needed clearer design and more detailed explanation.

Labor also promised to amend legislation to reinstate the full penalty wage rates previously paid on Sundays and public holidays to approximately 700,000 workers in fast food, retail and hospitality outlets, pharmacies, clubs and restaurants. These wage rates were in the process of a phased reduction as a result of a Fair Work Commission decision in February 2017.

The ALP further committed to impose bigger punishments on perpetrators of wage theft, ensure labour hire workers received the same pay as those directly employed, make sure workers in the so-called gig economy were properly paid and toughen measures against sham contracting. The Coalition parties, by contrast, avoided these topics and successfully steered debate on to other issues.

## **The credibility problem for unions and Labor**

Previous Labor governments had established and implemented the very rules that unions and Labor in 2019 said needed to be changed. This created a credibility problem. The Hawke and Keating governments introduced enterprise bargaining, and the Rudd and Gillard governments did not fully roll back the Howard Government's WorkChoices policies. Bill Kelty, who was the ACTU's secretary when enterprise bargaining and steep union membership decline started in Australia, made campaign appearances in 2019. His proclamation at the beginning of an advertisement broadcast by the ALP that 'Shorten is essentially a disciple of Hawke and Keating' did not help Labor overcome that historical credibility problem.

Shorten's well-known previous role as national secretary of the AWU partly helped, but also partly hindered, his campaign in the 2019 federal election. Prominent, potent and lingering criticisms had been made that, as a union official, he was prepared to compromise the interests of workers in favour of employers (Schneiders et al. 2015). Further, he was portrayed as being, in major personality respects, a 'shape-shifter' who tried to simultaneously adopt 'contradictory stances', to put on different masks in an attempt to be all things to all people, which raised serious questions about what he actually stood for (Millar and Schneiders 2015). These traits likely contributed to his consistently poor public opinion poll ratings on the attribute of trustworthiness.

Rupert Murdoch's *The Australian* newspaper reported on 24 April that Shorten had told a coal export terminal worker on Queensland's central coast, in response to that worker's request, that he would consider reducing taxes for workers earning \$250,000 or more a year (Brown and Lewis 2019). But very few individuals in those kinds of occupations receive

income anything like that. The only occupations in Australia that average above \$250,000 taxable annual income are in fact surgeons, anaesthetists, internal medicine specialists and financial dealers (ATO 2019).

Yet Shorten failed to do what Barack Obama had in reply to a strikingly similar challenge from a worker to his plans to tax higher income earners during his successful 2008 US presidential election campaign. Obama rhetorically and confidently asked a large outdoor crowd in a New Hampshire apple orchard: ‘How many plumbers do you know that are making a quarter-million dollars a year?’

*Sky News Australia* then showed on 9 May how Shorten suffered an awkward encounter at a freight company north of Brisbane (Sky News 2019) when two male fluoro-vested workers refused to shake his hand because they did not like him. That media outlet, also Murdoch-owned, might have portrayed those two individual workers as not liking the Labor leader because they were on high incomes and felt his tax policies were an enemy to their aspirations; however, the workers may not have liked Shorten for reasons other than having individual ambitions to become low-taxed, very high-income workers—perhaps because they thought he had been a weak union official or because they felt he did not care enough about Queensland jobs.

## Unions after the 2019 election

Unions are collective agents to realise opportunities for working people to get ahead from a foundation of secure employment and decent wages. Unions and Labor need to be clearly and consistently on the same wavelength as most workers in expressing those central priorities. Employment and income security are the most important ingredients in forming the common ground between different left-of-centre constituencies. Economic policies that promote this security in people’s lives build scope for the pursuit of more compassionate, outward-looking social and environmental policies.

Following the 2019 election result, unions need to make more widely a persuasive case about the details of exactly which rules they want to change, how such changes can be implemented and the specific short-term and medium-term benefits these changes will bring to the lives of many individual workers.

There will now be further discussion among unions of the relative priorities of grassroots workplace organising vis-a-vis electoral/political campaigns using media including advertising, to resolve tensions between these priorities. Unions spent \$6.5 million on advertisements in the 2019 election and \$25 million had been spent on the 'Change the Rules' campaign overall up to the aftermath of the election (Karp 2019a, 2019b). This was similar to the amount spent by unions in preceding federal elections and confirmed the advantage for Labor over non-Labor parties of having a strong union base in terms of both people and money. However, the financial resources the unions could muster in 2019 were dwarfed by the unprecedented big-spending advertising intervention in the election by Clive Palmer's corporations (as discussed in Chapters 17 and 19, this volume).

Nearly three-quarters of voters still think big business has too much power, whereas less than half think unions do, according to the latest available data (Cameron and McAllister 2016: 84). The gap between the two views is the highest it has been since 2007, and those data pre-date the scandals uncovered by the banking royal commission. These sentiments suggest there is still a successful electoral basis for more precisely focused, credible campaigning by unions—for more popular and better resonating policies aimed more accurately at the needs of their core constituencies—than was mounted in 2019.

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