

# Australian Labor Party and unions agree to slash income support and working conditions

By Mike Head  
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The Australian Labor Party confirmed yesterday that it will back legislation, drawn up in backroom talks by the federal government and the Australian Council of Trade Unions (ACTU), to reduce JobKeeper and JobSeeker payments and allow employers to keep cutting workers' hours and wages.

Labor's parliamentary caucus agreed to vote for the Liberal-National government's bill, ensuring it will pass through parliament during the current fortnight sitting, after its provisions were finalised during negotiations between ACTU secretary Sally McManus and Workplace Relations Minister Christian Porter.

In its assault on workers, the ACTU-designed deal goes far beyond the initial JobKeeper package drafted by McManus and Porter in April-May. After that agreement was reached Porter called McManus his BFF ("best friend forever") and Prime Minister Scott Morrison phoned McManus to thank her for the ACTU's "constructive" role.

The "JobKeeper 2.0" measures will throw about five million workers onto poverty-line payments from next month amid the worst unemployment since the 1930s Great Depression. At the same time, it will allow companies to continue slashing wages and conditions even if they no longer qualify for JobKeeper wage subsidies.

The clear purpose of these measures is to give workers no choice but to accept the gutting of their conditions and push them into unsafe workplaces, regardless of the danger of infection, amid the ongoing COVID-19 pandemic. The ACTU-Labor-government deal is a centrepiece of the drive to "reopen" the economy and exploit the pandemic to further restructure workplace relations at the expense of the working class.

The bill extends employers' powers to reduce

workers' hours and adjust their duties and location of work. This is both for businesses still claiming wage subsidies and for "legacy employers" who no longer qualify for the subsidies but claim to be suffering just a 10 percent decline in revenue due to COVID-19.

The main "limit" is that workers' hours and wages cannot be cut by more than 40 percent. Also, they cannot be called in to work fewer than two hours on a single day. In other words, the bill is another green light for the casualisation and impoverishment of millions of workers.

When the ACTU and the government struck their initial deal on the JobKeeper legislation, which Labor helped pass in May, the unions claimed that this was only a temporary measure, confined to employers that qualified for wage subsidies. This pretence has now been abandoned.

The 3.5 million or so workers currently receiving a bare minimum wage of \$750 a week, via JobKeeper subsidies handed to their employers, will have their incomes reduced to just \$500 a week by the end of the year, and to only \$325 a week for part-time or casual workers. These amounts are not enough to live on.

The approximately 1.6 million jobless workers now receiving JobSeeker unemployment allowances of \$550 a week will have these pittance cut by \$150 a week to just over \$400. That is just above the starvation level of \$280 a week for the pre-COVID Newstart jobless payment. And the government has foreshadowed cutting this level further after December 31.

After yesterday's caucus meeting, Labor's leaders said they would back the bill even if the government rejects any Labor amendments to adjust the pace of slashing these payments. Labor is trying to posture as having some concerns about workers bearing the burden of the pandemic-triggered economic crisis,

while pledging its support for the bill to satisfy the demands of the corporate elite.

Another pretence by the government, Labor and the unions—that JobKeeper is for the benefit of workers—was shattered last week. Annual profit reports by companies confirmed that the JobKeeper wage subsidies are propping up and inflating the profits of large companies, even as they axe thousands of jobs.

At the top of the list was Qantas, the former government-owned airline. It obtained \$267 million from JobKeeper by June 30, plus as much again in direct government subsidies, while standing down 20,000 workers. Yesterday it announced the dismissal of 2,500 ground crew members, on top of 4,000 retrenchments last week.

By last week, companies listed on the stock exchange had reported receiving at least \$625 million in JobKeeper payments, often while reporting increased profits based almost entirely on these subsidies. The true level of the corporate handouts remains hidden because the government refuses to provide a list of all the companies and the amounts they are receiving.

While the ACTU and its affiliates feigned opposition to Qantas’s job destruction, they are working night and day to block any struggles by workers against it or any other attack on jobs and conditions. At the same time, they are collaborating behind closed doors with the government and the major employers in five working groups on how to impose more “industrial relations reforms.” These “round table” groups are due to report next month.

McManus told a recent Griffith University online event that making industrial awards “simpler and less complex” was an area for potential agreement. She denied media reports that the process had produced impasses, saying agreement could be reached with some employer groups.

Her comments were a reminder of her interview on the Australian Broadcasting Corporation’s flagship “Insiders” television show in April, when she told employers: “You can get everything you want through co-operation.”

McManus boasted that she and the unions had worked to make “changes” to industrial awards and agreements affecting 2.5 million restaurant, hospitality and clerical workers in “about a week.”

In one typical “change”—made without any

consultation with these millions of workers—the Australian Services Union allowed employers to force 1.3 million clerical workers to work any hours from 6 a.m. to 11 p.m. from Mondays to Fridays, and 7 a.m. to 12:30 p.m. on Saturdays without overtime rates. It also permitted casuals to be allocated shifts as short as two hours.

This week’s proceedings in parliament again demonstrate how much the ruling class depends on the Labor Party and the unions to quash unrest in the working class over the mass unemployment, cuts to wages and conditions, and exposure to unsafe conditions in workplaces, including schools, hospitals and aged care facilities, amid the pandemic.

After months of recess, parliament has been recalled for a fortnight just to rush through this bill and other legislation to hike university students’ fees. Parliament will not meet again until October 6, when another brief session will be organised to rubber stamp an austerity budget.

The country remains governed by a de facto coalition with the Labor Party via a self-proclaimed “national cabinet,” which sanctions emergency decrees issued by the federal, state and territory government leaders.

This collaboration takes to a new level the partnership forged for decades between the unions, employers and government to suppress the opposition of workers to the endless attacks of the financial elite. These have produced a soaring gulf between the super-rich and the working class, especially since the union-employer-government Accords reached by the ACTU and the Hawke-Keating Labor governments in the 1980s and 1990s.

Today’s government-corporate-union offensive underscores the necessity for workers to break from Labor and the unions, and to turn to an alternative socialist perspective: The fight for a workers’ government that would place the banks and corporations under public ownership and democratic workers’ control to reorganise production for human need and health, not private profit.

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