

The Authority of the ACTU

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Abstract

Most studies of the role of the Australian Council of Trade Unions (ACTU) have argued that the peak-council has traditionally had little if any authority over its affiliates. This paper contends that this situation changed during the 1980s and that the ACTU achieved a significant degree of internal union authority. Examples of such authority are documented and the combination of external factors, such as the political and economic environment, and internal factors, such as leadership and reduced factionalism, that contributed to this growth of authority are analysed.

1. Introduction

Human nature being what it is most of us like to think that we live in fairly momentous times or, at the very least, that changes and developments in our era are important and will have a significant impact on the future. Somewhat cruelly, the broad sweep of history usually consigns these beliefs to the rubbish bin. Accordingly, it is with some trepidation that I advance the view that in some future 'history of trade unionism' the period from the mid-1980s to the mid-1990s will be highlighted as a key decade for trade unions. Factors such as the restructuring of the union movement, the changing character of unions and changes in the composition and density of members help sway me to this view. Central to most of these developments, either as an initiator or largely determining the union response, has been the Australian Council of Trade Unions (ACTU). Surprisingly, the role of the ACTU has received relatively little academic attention in recent

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years. This paper focuses on one of the key determinants of this role, its authority over its affiliates. Most previous studies have argued that the peak-council has had low levels of authority over its affiliates. The contention advanced in this paper is that the internal authority of the ACTU has grown significantly during the past decade. Examples of such authority and the factors that have contributed to this development are analysed. We commence with a brief review of previous studies on the authority of the ACTU.

2. Previous Studies

The ACTU, established in 1927, had very inauspicious origins: it followed a number of failed attempts at establishing a union peak council, it was starved of finance, conservative craft unionists and socialist One Big Union supporters both treated it with suspicion and it faced outright hostility from the largest and most politically powerful union, the Australian Workers' Union (AWU). Not surprisingly then, it lacked any authority in its early years. Pilkinton (1983, 300) notes that President Monk claimed at the 1940 Congress that 'in the early years it (the ACTU) had simply existed, and it would not have done that had it not been for loans advanced by the Melbourne THC.' Donn and Dunkley (1977) point to the dedicated work of two, non-remunerated officials as the key to the new organisations survival. A third reason, more germane to the present paper, has been advanced by Gollan (1975, 14-15): 'the way in which the ACTU functioned left most real authority in the hands of the individual unions and the state trades and labour councils'. He described (p. 15) the early role of the ACTU as a 'useful guiding and educational role'. Donn argues that this role increased during the Second World War which he describes as 'a period of growth for the ACTU, both in membership and influence' (Donn, 1983, 64). For example, the first, full-time official was appointed in 1943 and, more importantly, in 1945 the state branches veto power over Congress decisions was revoked (Pilkinton, 1983, 288).

Clearly some changes were taking place but, during the 1950s, opinions differed on the extent and significance of these changes. Writing in 1952 Foenander argued that the ACTU could 'in no sense ... be regarded as a governing body, or as exercising real disciplinary control over the affiliated unions. These unions retain their autonomy and independence of action' (Foenander, 1952, 94). Ross focused his assessment on the involvement, or, more correctly, lack of involvement, by the ACTU in strikes of affiliates. He argued that 'control over strikes was still more personal and opportun-

istic than formal' and that the ACTU officers 'hesitated to interfere unless requested by the parties, or unless there was a serious possibility of other unions being involved' (Ross, 1958, 14). He concluded that the ACTU was 'still enlarging its influence, but lacked the co-ordinating prestige or authority of the British TUC or the AFL and the American CIO' (Ross, 1958, 14).

In two articles in the late 1950s and early 1960s Martin challenged these assessments. While conceding the lack of formal control noted by Foenander he contended that 'something very like control is often possible ... in an organized social grouping whose strength is in the last analysis a function of its unity' (Martin, 1958, 30). Based on detailed analysis of developments, including strikes, in the coal mining and waterfront industries between 1949 and 1957 he argued that changes in the attitudes of officials of the Miners Federation and the Waterside Workers Federation, both militant, left-wing affiliates, towards the ACTU 'indicates the increased importance of the ACTU within the Australian trade union movement' (Martin 1958, 36). He listed a number of other developments to support his argument. These were that the ACTU was increasingly co-ordinating the claims of public sector unions and playing a leading part in negotiations for a single composite agreement; the acceptance, post-1949, of the ACTU's authority in formulating claims and submissions in basic wage cases; and the incorporation of industry-based groups of unions, formerly operating outside the ACTU, into the structure of the peak-council.

These developments, Martin argued, did indeed 'curtail the independence of individual unions by subordinating sectional interests to what are conceived to be the wider interest of the union movement as a whole' (Martin, 1958, 40) and, overall, had led to a 'commanding position' (p. 42) for the ACTU within trade unionism.

In his 1962 paper Martin directly attacks Ross's assessment by comparing the authority of the ACTU and the British Trades Union Congress (TUC). Our concern here is not so much the central comparative focus of Martin's paper, although he convincingly argues the greater authority of the ACTU, but on his analysis of the ACTU's authority. His case builds on his 1958 paper; he offers further examples of ACTU involvement in both the political and industrial process and concludes that, particularly in the industrial process, the ACTU has played 'a role which both confers and requires substantial authority within the trade union movement' (Martin, 1962, 12-13). He also offers his criterion for assessing internal authority: 'the ultimate test of the internal authority of a trade union centre is the extent to which its functions restricted its constituents' autonomy in ways that the latter regard as important' (p. 14).

As Dabscheck notes a number of authors subsequently 'accepted and followed Martin's position in their discussion of the ACTU' (1977, 388). He cites the work of Dufty (1972), Isaac and Ford (1966 and 1971), Sheridan (1975) and Walker (1970). Typically, he himself attacks what must have been getting close to being the accepted orthodoxy of the time. He concedes that while Martin's criterion for defining authority may be valid, 'in the case of the ACTU it is a *non sequitor* in that it is rarely put to the test' (Dabscheck, 1977, 401). Rather he argues that 'the term "authority" inadequately depicts the tone of the relationship that exists between the ACTU and affiliates' (p. 400). He characterises this relationship as co-operative, with the affiliates choosing to involve the ACTU where appropriate to help them realise and achieve their objectives. Thus, when the affiliates so choose, the role of the ACTU appears enhanced; its apparent authority, however, is derived from the voluntary decision of the affiliate to seek the assistance of the peak-council. Dabscheck concludes that what Martin has 'identified as the rise of the ACTU has not been associated with affiliates losing autonomy in areas that they regard as important' (p. 401).

Dabscheck was in the vanguard of this revision of the role of the ACTU. In his history of the peak-council Hagan supports Dabscheck's views. For example, discussing the post-1975 wage indexation guidelines he notes that in national wage cases the ACTU was never prepared to give guarantees on behalf of its affiliates that they would substantially comply with these guidelines, despite the guidelines seeming to require such guarantees. He then adds that the 'ACTU could not have given effect to a guarantee of this kind in any case' (Hagan, 1981, 452). Rawson's assessment of the ACTU is neatly encapsulated in the title of his paper: The ACTU – Growth Yes, Power No (Rawson, 1982). He claimed that the peak-council was 'starved of funds and of power' (p. 120) and was overtly pessimistic about its future role:

Its very success in attracting new affiliations and therefore becoming more heterogeneous has meant that, whatever it does, a considerable section of its membership will regard it with suspicion. At worst, they will set up alternative organisations, openly or secretly; at best, they will simply ensure that the ACTU lacks the resources to lead them where they do not wish to go. If enough people feel this way, it can only mean that the ACTU cannot lead anywhere at all (p. 20).

Wooden's analysis of the role of the ACTU was also pessimistic. Using a check-list devised by Headey (1970) to gauge the power of peak-councils (discussed below) he argued that on each criterion 'the ACTU obtains low scores' (Wooden, 1985, 21).

Overall, most of the authors reviewed above have supported the view that the ACTU lacks authority over its affiliates. The contrary view has been put mainly by Martin, and his views were based on events of the 1950s. One legacy of this literature is the acceptance by Dabscheck, as noted earlier, of Martin's criterion for assessing the internal authority of the ACTU. We now use both this criterion and Headey's (1970) check-list to assess the authority of the ACTU over the past decade.

3. The 1980s and Early 1990s

Headey (1970) has suggested a four-point scheme for assessing the authority of national confederations:

1. The role played by the peak-council in the collective bargaining process; in particular does it vet and control the members' wage demands?
2. Does it control strike action and strike funds?
3. The size of its staff relative to union membership.
4. The finances of the peak-council.

A strong case can be argued that on all of these criteria the power of the ACTU has significantly increased from 1980 onwards. On the first, since the signing of the Accord in 1983 the ACTU has been the dominant player on the union side in the bargaining process. It has formulated the union claims, negotiated them with the federal Labor government under the Accord process and subsequently acted as the representative of unions in National Wage Cases. Developments such as award restructuring and structural efficiency, and the move to enterprise bargaining took place under the aegis of the ACTU. Currently, the ACTU is still attempting to control macro-level wage outcomes: the Accord for 1993-6 reaffirms the commitment of the union movement to 'wage outcomes which are consistent with Australia maintaining an inflation rate comparable with those of our major trading partners (Accord 1993, 5). Traditionally strong, militant unions, such as those covering air pilots and plumbers, that have tried to achieve wage increases greater than amounts targeted by the ACTU have failed in their demands. In effect the ACTU has negotiated agreements and subsequently acted as enforcer of these agreements.

Second, the ACTU has also contributed to the reduction in the levels of strikes. It has done so not through the control of central strike funds, as envisaged by Headey, but rather through a mixture of direct policing of

commitments given by unions in the Industrial Relations Commission in return for wage increases and indirect preaching of the benefits of the Accord-style approach to industrial relations. A number of researchers, for example Beggs and Chapman (1987), have argued that the Accord has directly reduced the levels of strikes. Control of strike funds is not an appropriate measure of the authority of the ACTU. The short average duration of strikes, currently just under two days, has meant that most unions, less alone the peak-council, neither pay nor possess formal strike funds.

Third, there has been a significant increase in the number of ACTU staff, from 15 positions in 1981 to 48 in 1993; over the same time period the combined membership of affiliates increased from 2.2 million to 2.6 million.

Fourth, the income of the peak-council has also dramatically improved during the 1980s. In 1979 delegates at the Biennial Congress voted to increase annual affiliation fees for adult unionists from 30 cents to 41 cents per member (Martin, 1979, 493). The equivalent rate in 1993 was \$1.75, more than a four-fold increase in absolute amount and more than a doubling of income in real terms.

Clearly, on Heady's terms the ACTU has become a much more authoritative body. These changes do not, however, meet the stricter criterion set by Martin and accepted by Dabscheck. Accordingly, we now try to assess whether the ACTU had indeed restricted the autonomy of affiliates in key areas. Kuhn has no doubts that the peak-council has played such a role. He cites a number of 'challenges to the Accord' such as a strike by the then Food Preservers Unions at the Heinz factory near Melbourne in 1983, the deregulation of the Builders' Labourers' Federation, a 1986 campaign by the Plumbers and Gasfitters Unions for increased wages and the air pilots strike in 1988/9, and claims that 'the response of the ACTU leadership ... to unions which have challenged the Accord has been ruthless' (Kuhn, 1993, 37). However, Kuhn does not offer much evidence in support of his conclusions. Covering the same time period, and most of the same events cited by Kuhn, Teicher's (1987, 1989) detailed analysis produced a more guarded conclusion. His concern was with the capacity of the ACTU to uphold a centralised wages policy and, in particular, to ensure its affiliates compliance with such a policy. He argues that 'to some extent the ACTU has developed authority over its affiliates' and that it 'would be imprudent to ascribe it (the increased ACTU authority) to authority ceded by affiliates' (Teicher, 1989, 246); in other words increased peak-council authority with its source other than affiliates voluntarily ceding such authority.

In addition to the events analysed by Teicher two further examples of ACTU authority are now offered, the first involving a strike by an affiliate and the second focusing on restructuring the union movement. In 1984 the then Federated Furnishing Trades Society (FFTS) sought a wage increase for its 200 members employed at Dowell Aluminium Windows, a Melbourne-based manufacturing facility. This claim clearly breached Wage Indexation Guidelines and was refused by the company. A 3-week strike ensued and, ultimately, was settled by the company agreeing to pay an \$11.90 a week 'disability allowance'. The potential impact of this settlement immediately became obvious when the Federated Ironworkers applied to the Conciliation and Arbitration Commission for a flow-on to its members employed at Dowell and raised the possibility of it flowing to the rest of the metal industry. The ACTU intervened and, as a result, the FFTS agreed to forego the disability allowance. A union, at the behest of its peak-council, giving back to an employer a wage increase it had won through strike action is a clear demonstration of a different type of ACTU authority.

A second demonstration of authority is the role of the ACTU in restructuring the union movement, particularly the merging of unions. While a number of ACTU affiliates were clearly not antagonistic to mergers equally clearly a number wished strongly to retain their existing autonomy and independence. Unions in the latter category included, for example, the Federated Clerks Union (FCU) and the Electrical Trades Union (ETU), both large unions with members identifying with a particular 'trade' despite being scattered throughout numerous industries. At the 1989 ACTU Congress, which saw the real start of the peak-council's push to merge affiliates (see Griffin, 1992), these two unions moved an amendment to the Executive's recommendation on union structure. Both unions 'stressed that they did not see industrial unionism as a panacea; they feared that the Executive's motion would lead to the imposition of reform from above' (Davis, 1990, 103). In short, they wished to remain independent. ACTU Secretary Kelty's response was blunt: he argued that 'narrowly-based unions such as the ETU and FCU could not survive in their current form' and that 'they must face up to the challenge of reform' (Davis, 1990, 103). In other words, despite their wishes they must merge. Four years later at the 1993 Congress, both of these unions had completed their respective merger processes and each was now part of one of the eighteen 'super unions' identified by the ACTU. In this most central, core issue, the very existence of the union as an independent, autonomous organisation, the peak-council had prevailed over the affiliate.

So far, this section has offered specific examples of the exercise of ACTU authority. A more broad-brush assertion of this authority can be

based on various reviews of ACTU Congresses over the past decade. Such reviews in the *Journal of Industrial Relations* are replete with references to the authority of the Executive. For example, on the 1985 Congress, Davis (1985, 602) noted that:

Delegates had ratified executive recommendations on all the policies brought to Congress, and, for the most part, unanimously. As noted earlier, there was not a single counted vote on any of the policies.

And the debate on the controversial union re-organisation policy at the 1991 Congress had the following result:

In an imposing demonstration of the Executive's authority, the three amendments rejected by the Executive were lost by a significant margin and the ten supported were comfortably passed. The amended motions on union organization, resources and services were passed overwhelmingly (Davis, 1992, 91).

Annual reviews of developments in trade unionism in the same journal also reflect this primacy of the ACTU. For example, Gardner (1988, 154) writes about the 'all-pervasive influence of the ACTU' while Spooner (1990, 135) asserts that during 1990 the ACTU 'maintained its centralized control over union activities in relation to wages and conditions' and also 'continued to exercise considerable power and influence (over affiliates) through its negotiations with the federal government'. More generally, Congresses during the 1980s were invariably described as dull and non-exciting in contrast to their predecessors of the 1970s which almost invariably witnessed major conflicts and rowdy, acrimonious debates. The acceptance of Executive authority is usually cited as the cause for this change.

Overall, at the start of the 1990s the ACTU was clearly a much stronger organisation than it was a decade earlier: it was much better financed and staffed; it had negotiated the Accord and policed its implementation; in some specific cases it persuaded affiliates to change policy and direction; Congresses were a show of unity and generally it had assumed a more pro-active role. In other words the authority of the ACTU, of the Officers and the Executive, was demonstrably greater. We now analyse the factors contributing to this growth of authority. This analysis should also shed light both on the nature of such authority and its possible future continuance.

4. Explaining the Growth of Authority

In most organisations the formal sources of authority are relatively easy to identify: the hierarchical structure confers specific authority to specific positions. In voluntary associations, however, as Pilkinton (1983, 274) notes

'authority emanates from the bottom and flows upwards'. Despite this ultimate source of authority some executive authority has to flow downwards in some form of hierarchical structure. This *de facto* sharing of authority has led both Van de Vall (1970) and Banks (1974) to describe trade unions as polyarchies, that is organisations in which a balance of power exists between at least some of the members and the officials. James (1984), while noting that this approach had some problems – 'it should be borne in mind that trade unions differ considerably in their forms of government and thus in the scope which they allow to active participants to exercise some control over union activities' (p. 7) – felt it sufficiently promising to use as a developmental model for his study of the role of a district committee in a British trade union. He argued that the sources of power in a union polyarchy were both internal (such as the rule book, the concept of solidarity and the acceptance of the electoral principle) and external (such as legitimacy conferred by employers). In an earlier contribution he had also instanced the actions of the state as an additional source of external legitimacy (James 1981).

Martin (1980) based his analysis of the role of the British Trades Union Congress (TUC) between 1868 and 1976 on the theory of pressure groups developed by Eckstein (1960). This theory argued that the 'nature and outcome of pressure group activities are determined primarily by four factors: the structure of government; the scope of public policy; the political culture or politically-relevant attitudes prevalent in a society; and the attributes and resources of specific pressure groups' (Martin 1980, ix). While Martin's concerns were much broader than the scope of this paper one of the central issues he had to deal with was the authority of the TUC. Like James, he chose to differentiate between internal and external authority. The indicators of internal authority he chose to examine for his specific purposes were exclusiveness (the extent to which claims on government affecting the interests of specific unions are channelled through the TUC), control (the extent to which the TUC leadership selects or rejects union claims for submission to government) and importance (the extent to which the TUC handles issues of central concern to unions) (Martin, 1980, 7).

Closer to home Teicher's analysis of the factors that have influenced the ACTU's capacity to uphold a centralised wages policy has covered a range of both internal and external factors (Teicher, 1989, 244). The implications of all these studies is quite clear: the search for the sources of the new-found ACTU authority must encompass both internal and external possibilities. We now commence this search, focusing initially on the external environment which sets the terrain within which the ACTU operates.

External Factors

The range of environmental factors and the attitudes and actions of the other parties to the industrial relations system comprise the heuristic list of external sources of authority. Arguably, developments in the economic and political environment combined with the actions of two arms of the state provided the major external stimuli to the growth in authority of the ACTU. We focus initially on the two environmental influences.

In 1981 the centralised wage-fixing system which had been initiated in 1975 was officially terminated by the Conciliation and Arbitration Commission. Encouraged by what Teicher (1989, 232) has termed the 'quasi-deregulatory stance on wages policy' of the federal government the main focus of the wage-fixation system moved to collective bargaining at the industry level. The metals industry re-emerged in its traditional pace-setter role: a twelve month agreement that provided wage increases of approximately 18 per cent and a reduction in the number of weekly working hours from 40 to 38 (for details, see Plowman [1983]) which set the pattern for the rest of the community. In late 1982, worried by both high wage settlements and rapidly rising unemployment the federal government abandoned its deregulatory stance, legislated a 12-month wage freeze for federal public servants and convinced the Conciliation and Arbitration Commission to introduce a 6-month freeze for employees under its jurisdiction. Finally it chose to call an early federal election in March 1983, an election which it lost to the Australian Labor Party (ALP).

Prior to the 1980 federal election the outline of a basic incomes policy had been agreed between the ALP and officials of the ACTU. Between 1980 and 1983 further negotiations had fleshed out this agreement. The Accord, as this agreement has become known, was a multi-faceted document covering areas such as health, immigration, education and industry policies. Its core, however, was clearly an incomes policy. It provided for the re-introduction of a centralised wage-fixing system with wage increases being fully linked to rises in the Consumer Price Index. Most unions focused on this indexation aspect of the Accord. Burgmann (1984, 91) has argued that most of the unions that voted to accept the Accord at the ACTU Special Unions Conference in February 1983 were not familiar with the package they accepted. Indeed the one delegate that refused to support the Accord because of lack of information on its provisions was subjected to very derisory comments from fellow delegates. All other delegates were happy to follow a traditional strategy of retreating from the industrial field to the protection of the Commission in times of adversity. Singleton has neatly encapsulated the driving factors behind the Accord:

The critical factors that brought the ACTU and its affiliates into a voluntary incomes agreement with the Federal Parliamentary Labor Party (FPLP) in February 1983 were a contracting economy, deteriorating unemployment, high inflation and a hostile and confrontationist anti-Labor government. Unions needed an incomes policy that would protect wages and employment. They needed a Labor government to make it work. The imminence of an election that Labor could win if the Accord was in place, was the catalyst that brought them together. (Singleton, 1990, 152)

In short, political and economic factors combined to produce the Accord. Subsequently, it became the cornerstone of the Hawke Labor government's 'electoral and economic strategy and the basis for a continuing co-operative working relationship with the ACTU on incomes policy and related issues' (Singleton, 1990, 155). This Accord process greatly enhanced the internal authority of the ACTU. Its full-time officers and Executive sub-committees became the *de facto* negotiators for improved wages and conditions for not only unionised workers but also non-unionised employees as well. Inevitably, power and authority accumulated to the ACTU – it negotiated, it controlled access and, according to most affiliates, it delivered.

Developments in the broader political and economic spheres also operated to uphold the authority of the ACTU. The rise of the 'new right' philosophy and of economic rationalism which favoured strongly the deregulation of labour markets served to enhance the attractiveness of the Accord to ACTU affiliates. Developments at the September 1985 ACTU Congress best exemplify the impact of these forces. In August the government had indicated its desire to seek a discounted wage increase at the wage case scheduled for the following month. Its rationale was to prevent the impact of a 30 per cent devaluation of the dollar flowing through to inflation via automatic, CPI-linked wage increases. To accommodate the government the ACTU negotiated a compromise deal, Accord Mark II: in return for full indexation in September 1985 the ACTU agreed to accept a discounted wage increase of two percentage points lower than the CPI at the following wage case in April 1986. Changes to taxation scales were also part of the package. Accord Mark II thus represented the first departure from the strict automatic indexation of wages agreed in the original Accord. This flexibility was accepted with little demur by the overwhelming majority of congress delegates. Seeking to explain this consensus Davis pointed to the election of a new leader of the Liberal party who held well-publicised 'new right' views such as privatisation of some state enterprises and labour market deregulation. He argued that the 'spectre' of an Australian equivalent to Prime Minister Thatcher in Britain or President Reagan in the United

States 'was to haunt the Congress' and that 'many delegates (were) predicting dire consequences should the Liberal Party win the next election' (Davis, 1985, 593). In short, while some delegates voted to reject Accord Mark II, most preferred it to the possible alternatives. The flexibility recommended by the ACTU Executive was accepted by 95 per cent of delegates. This pattern of adjusting the Accord to allow a more flexible response to the changing economic environment was to be repeated at future Congresses; equally, the fear of the economic and political alternative was also a major factor behind the acceptance by Congress of such flexibility.

The second group of external factors contributing to the authority of the ACTU has been the increased status accorded it by other parties in the industrial relations system. Prior to 1983 three main parties to this system could be identified: the employers, the unions and the state, as represented mainly by the then Conciliation and Arbitration Commission, now Industrial Relations Commission. Post-1983, the federal government, through the Accord process, became a direct, fourth party. This paper argues that the actions of the two arms of the state have facilitated the growth of ACTU authority. The Accord process, with its acceptance of the ACTU as the union negotiating partner, has been the major action of the federal government. In addition, however, following Martin's (1980) schema for the TUC, as discussed earlier, the federal government conferred the authority of exclusiveness on the ACTU, that is, it deals with other than very minor union issues only through the ACTU. This is not to argue that individual unions do not have links with or access to individual members of parliament or indeed ministers. Given the union backgrounds of some parliamentarians such links clearly exist. However, the actions of government have had the effect of channelling union issues, problems and submissions through the ACTU. They have established a way of doing business which has entrusted the ACTU with, at worst, a co-ordinating role and much more frequently, a screening, decision-making role. Affiliates have quickly learned the value of having the imprimatur of the ACTU in their dealings with Canberra. A further, more mundane factor has been the government sanctioned, *de facto* awarding to the ACTU of nominating rights of union representatives to all types of publicly-funded organisations.

The actions of the Industrial Relations Commission have also elevated the status of the ACTU. One of the lessons learned by the Commission from the 1975-81 period of centralised wage-fixation was the need for some sort of compliance mechanism to enforce its decisions. The post-1983 system has required the formal agreement of registered organisations to abide by the wage-fixation guidelines prior to their accessing the benefits of the system. The ACTU has been incorporated by the Commission as an enforcer

of such agreements. Consequently, the intriguing situation has existed of the Commission partly relying on the ACTU, a non-registered organisation, to assist it to discipline the peak-council's affiliates, all registered organisations over which the Commission has significant formal authority. This is surely an example of the pragmatism of the Commission. In effect, the Commission chose to award a degree of authority to the ACTU.

This authoritative guarantor role of the ACTU has also been accepted by the Commission on some specific issues. We offer two examples, one involving a superannuation claim in the building industry and the second a wage claim in the public sector. In its decision on the building unions claim for an industry superannuation scheme the Commission noted the industrial actions of the BLF which had clearly breached the wage indexation guidelines. However, it decided not to penalise all unions for the actions of the BLF and awarded the claim. Teicher (187, 23) quotes part of the decision of the Commission which he correctly notes 'clearly attests the influential role of the ACTU' in the favourable judgement:

We place particular stress on the role of the ACTU. That body has played a responsible part in co-ordinating the negotiations and is endeavouring to eliminate industrial action associated with the superannuation claim (ACAC, 1984, 17).

The dispute in the public sector followed the rejection in February 1986 by the Commission of an anomalies wage claim made by clerical workers in the Commonwealth public sector. Fear of flow-on implications was a major factor underlying the decision of the Commission. In March, the claim was resubmitted to the Commission with, unusually, the case being handled by the Secretary of the ACTU. Petridis (1986, 131) points out that 'in effect, the ACTU was lending its considerable authority and prestige in providing an assurance that any increase granted to Australian Public Servants would not flow on to other workers'. He goes on to note that in its decision to grant a wage increase the Full Bench 'stressed in very strong terms' that its decision was influenced by ACTU guarantees that other unions would not use the decision to seek flow-on wage increases. He also points out that despite the suggestions of critics who might believe that the ACTU could not deliver on its guarantees to the Commission no flow-on increase has in fact been sought some 12 months later.

The message from these two disputes, and other examples that could be offered, was very clear: the Commission was prepared to accept assurances from the ACTU that it was not prepared to accept from its affiliates. In effect, support from the ACTU could be the difference between failure and success in a claim before the Commission.

One final external influence should be briefly noted. While difficult to evaluate, the role of the media has undoubtedly contributed to a perception among the public, including rank-and-file union members, of an authoritative ACTU. Media perception and presentation of the ACTU changed dramatically during the 1980s. In 1980 an editorial in the *Financial Review* commented:

Of all the trade-union central organizations of the developed world, it [the ACTU] is one of the weakest, the most uninfluential, and the most devoid of the kind of basic staff structure which the responsibilities of a trade-union organization require in the complicated modern world (Quoted in Davis, 1988, 128).

By 1987, the editorial in the same newspaper described the ACTU as 'one of the smoothest machines in the country' and as effective as the best management teams in the private sector (quoted in Davis 1988, 128). More recently, the Melbourne-based *Age*, a quality broadsheet, claimed that the ACTU is a 'powerful influence on the direction of the nation' and that 'it exercises the greatest influence upon policy today of all the powerful lobby groups outside Parliament'. Further 'what distinguishes the ACTU from other lobby groups ... is that what this organisation thinks matters and matters a lot' (*Age*, 1994, 11). In the electronic media ACTU representatives, usually the full-time officers, are interviewed regularly to ascertain the union view on various issues. In short, from the mid-1980s onwards the ACTU has been portrayed in the media as the authoritative voice of trade unionism. Without wishing to ascribe too much influence to the media its portrayal of the ACTU, particularly as a co-partner in government through the Accord process, inevitably compliments and boosts the existing levels of authority of the peak-council.

Taken together, these external factors have created the environment and the opportunity for the ACTU to assume more authority. However, as Heery and Fosh (1990, 21) have argued it is essential to recognise that 'the impact of external focus on unions is invariably mediated by internal forces'. We now analyse those factors internal to the ACTU which allowed it to grasp the available opportunity.

Internal Factors

This section focuses on three main factors: inclusiveness; changing structure and reduced factionalism; leadership and policy development.

In 1945, following a period of rapid expansion during the Second World War, the combined membership of the ACTU affiliates covered 45 per cent of all unionists (Donn, 1983, 67). By 1961 this figure has increased to 65

per cent (Martin, 1962, 2). The affiliation of the Australian Workers' Union in 1967 was a significant boost to ACTU inclusiveness but the most important development was the merging of three white-collar sector peak-councils into the ACTU between 1979 and 1985. These mergers were important for two reasons. First, the white-sector was the growth area of trade unionism from 1970 onwards. Between 1969 and 1981 the number of white-collar unionists increased by 89 per cent while the comparable figure for the blue-collar unions was 11 per cent (Griffin, 1983, 27). Second, while the ACTU could count a number of white-collar unions as affiliates, including the fast-growing Shop Assistants and Federated Clerks, it could not legitimately claim to be the 'parliament of workers' so long as most white-collar unions remained non-affiliates. In 1979 the Australian Council of Salaried and Professional Associations (ACSPA), an organisation comprised of private sector white-collar unions, disbanded and most of its affiliates transferred to the ACTU; the minority of affiliates that did not join the ACTU at this time subsequently did so. In 1981 the Council of Australian Government Employee Organisations, a federal public sector peak-council grouping, followed the ACSPA path and all its members moved to the ACTU. Finally, in 1985 the Australian Public Service Federation, a grouping of the state-based public service associations, merged into the ACTU. Making allowances for a number of dual affiliates these mergers brought approximately 480,000 additional unionists into the ranks of the ACTU.

Since these mergers the inclusiveness of the ACTU has been extremely high in terms of number of unionists but still relatively low in terms of number of unions. This is because the overwhelming majority of non-affiliated unions are small, single-state-based unions. The roll-call of affiliates at the September 1993 Congress numbered 80 with a combined membership of 2.6 million. According to the Australian Bureau of Statistics (ABS) the total number of unions in June 1993 was 188 and their total membership was 3.0 million (ABS, 1993, 1); this particular set of ABS data seems to be the appropriate comparator because both it and the ACTU data are supplied by unions, unlike the alternative ABS survey-based data set. Accordingly, ACTU affiliates account for only 43 per cent of all unions but for 87 per cent of all unionists. Given the small memberships of non-affiliated unions this latter figure should be regarded as a minimum figure. Consequently, the ACTU, while perhaps it is not, in view of the current, and falling, union density rate, the parliament of workers it would like to be it is clearly the parliament of organised labour in Australia. Such inclusiveness from the early 1980s onwards has been a necessary prerequisite to its enhanced authority.

A second significant development within the ACTU has been reduced factionalism and an associated series of changes to the ACTU executive. During the 1950s and 1960s the ACTU was overtly factionalised because of the major battles for control being waged within a number of unions by the communists on one side and the supporters of the National Civic Council on the other; the split of the communist camp into three parties further exacerbated this factionalism. Rawson (1982, 116) argues that the 1970s 'saw a marked decline in the strength of both extreme political viewpoints within Australian unionism' and hence, during Bob Hawke's term as ACTU president (1969-79), 'a general diminution of factional antagonism and a growth of consensus'. During the 1980s this trend clearly continued. Cupper (1982) sub-titled his review of the 1981 Congress 'Consolidation, Consensus and Co-operation (?)'. His inclusion of a question mark seemed to indicate a degree of scepticism as to the continuation of such consensus and co-operation. Continue it did, however, for the next decade. Davis' sub-title for his 1983 review was 'Consensus Rules OK' while the 1985 equivalent was 'Consensus 2' (Davis, 1983, 1985).

Traditionally, factionalism at Congress was exhibited, and the strength of each faction tested, in the contesting of various motions and during elections for the honorary offices, such as the vice-presidents and executive positions. During the 1980s and early 1990s such contests virtually disappeared. Davis noted that at the 1991 Congress, 'as in 1985 and 1989, there was not one single occasion on which hands were counted to determine the outcome of a vote. They were at best rare at the 1983 and 1987 Congresses' (Davis, 1992, 99-100). Equally, elections for ACTU positions, traditionally keenly fought along factional lines, virtually disappeared from Congress. This process culminated in 1991 when an unusually large number of elections were scheduled. Besides the normal six vice-presidents and eighteen union group executive seats, three female affirmative action representatives, proxies for the union group and affirmative action representatives (a new development because of rule changes agreed at the 1991 Congress) and all full-time officer positions were open to contest. Of these potential jousts the only two to occur were for proxy representatives in two of the union groups and a contest required by the ACTU rules to determine which of the six nominees for the six vice-president positions would be titled senior vice-president. And even this outcome had been determined by prior factional agreement (Davis, 1992, 98). In his review of the 1991 Congress Martin has noted 'the utter absence in this Congress of open conflicts that could be described in traditional, left and right, factional terms' (Martin, 1992, 138). This degree of consensus was repeated at the 1993 Congress (see Davis, 1993).

On the ACTU Executive itself factionalism also seems to have nearly disappeared; almost but not quite. The December 1993 Executive meeting voted along factional lines on an issue dealing with disputed union jurisdiction. Such a vote was the first 'for years' to quote a member of the Executive.

A number of factors, including external factors, have contributed to greatly reducing factionalism. Arguably, however, the key influence was the restructuring of the ACTU which, in turn, was attributable largely to the exercise of leadership. The merger of ACSPA in 1979 provided the initial impetus to restructuring. Large, existing affiliates argued that the new white-collar affiliates were over-represented on the Executive and sought changes. The 1981 Congress sanctioned such changes which 'without question' gave 'wider and more balanced representation to the various elements of the trade union movement' (Cupper, 1982, 121). In other words the factions were accommodated within the new structure, particularly an enlarged executive. By the early 1990s the Executive had grown quite large so the 1993 Congress agreed to a further major restructuring. Further significant changes occurred in 1985, 1987 and 1993. These changes were clearly initiated by the ACTU leadership with the aim of co-opting senior leaders of individual affiliates on to the Executive. This deliberate, and effective, strategy of co-option is best exemplified by the most recent structural changes. At the 1993 Congress the Executive was reduced in size to 34 and a new structure, an 81 member Council, was introduced. The new Executive consists of the officers, female Vice-Presidents, representatives from the state-based Trades and Labour Councils and one representative from each of the union groups. The practical impact of restructuring is that the key power-broker within each union group is now automatically a member of the Executive. Further, a form of 'managerial succession' has been put in place: the Council is structured to accommodate those brokers next-in-line in the union groups. Depending on the membership size of the union up to five delegates can sit in council. In effect, the now numerous Joint National Secretaries, attributable to mergers, have their opportunity to offer input to the Council and prepare themselves for the Executive.

A number of further structural changes aimed at reducing factionalism through the incorporation of all groupings into the ACTU decision-making apparatus also took place during the 1980s: the number of Vice-Presidents went from three to six, that of Assistant-Secretaries from one to three and, more informally, Executive sub-committees, such as the wages sub-committee, drew on representatives from the three main factions. Perhaps the most clearcut accommodation of factionalism was the allocation of one each of the three affirmative action positions on the Executive to each of the factions with each group determining internally its candidate. Overall,

reduced factionalism was greatly facilitated by changes to the structure of the ACTU. Both, in turn, were caused by our third internal factor, the exercise of leadership.

Since the election of Bob Hawke as ACTU President in 1969 the peak-council has, by-and-large, been led by a group of extremely capable, influential and high-profile officials. However, the character of such officials changed during the early 1980s. That long-term observer of ACTU Congresses, Ross Martin, has characterised this change of style from that of 'fireman' – which 'involved a taste for action, for generalities, for quick returns and for a piecemeal approach to problems' – to that of 'planner' – a style associated with 'a tendency to place weight on preparation for action, on details, on longer-term outcomes and on a strategic approach to problems' (Martin, 1985, 113). He argues, correctly in my view, that the election of Bill Kelty as Secretary in 1982 and of Simon Crean as President in 1985 set the seal on this changing style of leadership. Rather than merely react to external stimuli this new leadership sought pro-actively to influence and shape this external environment. A necessary prerequisite to such pro-activity was the development of unified, consensus-based policies. We have discussed earlier the fact that such consensus was indeed achieved. Martin has no hesitation in attributing this consensus to the style of the new leadership. He argued that following the 1983 Congress 'there had been a swelling flow of information to affiliates, a desire to involve them more closely in the ACTU's machinery and a determination to operate across factional lines' (Martin, 1985, 103). Having incorporated the factions through its consensus style the ACTU could then seek to extend its influence and authority. Post-1985 it has produced a stream of policies and action plans on a very wide range of issues. The 1987 *Australia Reconstructed* was the most high profile of the early policy documents. In general these policies are research based, take into account the external environment, such as political realities, and when agreed at either Congress or the Executive are then presented as the unified view of organised labour. This method of operation also lends these policies significant legitimacy and authority within the general union movement. Arguably, the policies of the ACTU have filled a vacuum for the individual unions.

All of this is not, of course, to argue that all ACTU policies are necessarily automatically accepted by all affiliates. For example, in recent months the acting secretary of the New South Wales Trades and Labour Council was quoted as attributing decreasing union density to the ACTU 'obsession' and 'manic determination' to rationalise the union movement (*Australian*, 1993, 4). And clearly the attempt, ultimately unsuccessful, by the Electrical, Electronic, Plumbing and Allied Workers Unions in a case

before the Commission to subpoena the records of an ACTU committee that determined union jurisdiction was a significant rejection of ACTU authority. Such examples are, however, extremely rare and are far outweighed by instances of the acceptance of ACTU authority. A spectacular instance of such acceptance occurred at the 1993 Congress. A constitutional amendment deleted a rule that had detailed 'in guarded and restricted terms, the way industrial disputes were to be handled by the ACTU' (Martin, 1994, 16). It was replaced by a much briefer rule authorising the ACTU Secretary, following notification by an affiliate of an industrial dispute, to take 'whatever action is appropriate consistent with ACTU policy' (quoted in Martin, 1994, 16). Delegates overwhelmingly accepted such an authoritative role for the ACTU. Overall, the leadership style, method of operation and the perceived appropriateness of its policies has been a most important contributor to the authority of the peak-council.

Complementing the changing styles of the officers of the ACTU has been the willingness of individual senior union leaders to work in harmony with these officers and with each other. Arguably, this was the greatest achievement of the union movement during the 1980s and was the cornerstone on which the ACTU authority grew. Former enemies learned to accommodate each others views and to reach and implement a common agreement. Inevitably, this resulted in changes, often dramatic, to long-held, cherished policies. For example, Singleton (1990, 61-69) documents changes in the wage policy strategies of the Metal Workers Unions, the leading left union. In effect, these senior leaders reached the conclusion that, given the environment they faced, working together to reach a common position, regardless of the compromises involved, was the best way to maximise the position of trade unions and of workers generally. Despite inevitable tensions, this method of operation has survived and worked well. The combination of individual union power-brokers working in harmony with ACTU officers has ensured an authoritative basis for ACTU policies and decisions. This combination has resulted in ACTU policies becoming a sort of synonym for individual union policies. On most issues most unions accept ACTU authority and policy.

5. Conclusion

With few exceptions most authors that have examined the relationship between the ACTU and its affiliates have concluded that the peak-council wields little authority over its member unions. This paper has argued that the internal authority of the ACTU increased significantly during the 1980s

and early 1990s. During this period the peak-council was clearly the most important union organisation in Australia; for example, it was the ACTU that negotiated the Accord with the federal government and ensured the provisions of the Accord were observed by its members. The most interesting issue is the base of this authority. Our analysis focused on both external and internal explanatory variables. Our argument is that the external environmental factors, particularly political and economic changes, offered the opportunity for a different type of trade union movement and, relatedly, a different, more authoritative role for the ACTU. Both the newly-elected Labor government and the Industrial Relations Commission, as part of the price for a return to centralised wage-fixation, demanded initially a new role for the ACTU and, subsequently, by their actions sought to uphold this new role. These corporatist-type sources of authority would not, however, have translated into an authoritative ACTU without concurrent developments internal to the union movement. After all, there has in the past been periods of centralised wage-fixation, overseen by the Commission, and of Labor governments.

The major internal factors were the increased inclusiveness of the ACTU and the interplay between a changing style of leadership, policy development, reduced impact of factionalism and changing ACTU structures to accommodate these developments. Moulded by the key role of leadership these internal factors combined to produce a consensus view of how the union movement should operate to best achieve its goals. Part of this consensus was an authoritative role for the ACTU, even to the extent of occasionally overruling some of its affiliates on key issues such as wages and mergers. From 1985 onwards such overruling was determined, because of the changing ACTU structures, by a combination of the full-time officers and the senior officials from the major affiliates. In turn, this authoritative role of the peak-council contributed to the continuation and extension of favourable external factors; for example, the policing of the Accord process by the ACTU ensured that it did not degenerate simply into a short-term incomes policy. So long as the consensus view remains that a strong peak-council helps affiliates to maximise their chances of achieving their goals significant authority will reside with the ACTU. Changed perceptions on the part of the affiliates, perhaps caused by external factors such as an improving economy, the change from an arbitral to a collective bargaining system of industrial relations or a change of federal government, could clearly result in a lesser role, and hence reduced authority, for the ACTU.

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