MERGERS AND AMALGAMATIONS – SOME LESSONS FROM UNION AMALGAMATIONS

INTRODUCTION:

- WA amalgamations that formed the Federated Miscellaneous Workers Union in the early 80’s; documented in from Fragmentation to Unity. This brought together a diversity of workers covered under the Hospital Employees Union, the Cleaners and Caretakers, the Pre-School Teachers and Associates union, the Water Supply Union with the Federated Miscellaneous Workers Union.
- national union amalgamations.

Acknowledge that significant difference between unions and the community sector in that unions are governed by industrial legislation – including coverage; procedures for amalgamations such as ballots of members.

DRivers FOR CHANGE

The major driver was to address the decline in union membership - there were too many unions and many of them were too small to meet member’s needs.

- Through amalgamation substantially more resources would become available to increase the range and quality of services to members
- Simplification of union structures
- Incidence of demarcation conflicts reduced
- Dealing with the coming industrial environment – anti-union legislation
- Strategic- a smaller number of larger unions more able to intervene in both the industrial and political arenas.

A GRAND PLAN

In the 80’s the labour movement was dominated by the leadership of Hawke, Keating and Kelty. The introduction of the Prices and Incomes Accord – a negotiated agreement between the new ALP Government and the ACTU delivered social wage outcomes, such as Medicare and superannuation, in exchange for wage restraint. The Accord resulted in unprecedented authority over decision making resting with the ACTU, the union movement’s peak body.

Following a visit to Western Europe, the report, Australia Reconstructed, contained a number of recommendations about amalgamation of unions, including:

The Australian trade union movement should plan to have no more than twenty union organisations within 2 years. The ACTU Executive should formulate proposals of union groupings for this purpose. ACTU officers need to initiate close working arrangements and strategies for action for unions in their groupings, leading to amalgamation as rapidly as possible.

The ACTU and government should initiate action to ensure that no further organisations can secure registration, other than those which are products of such amalgamations.

The ACTU should also initiate rationalisation of industry coverage between unions, where a clear advantage exists for this to be done. The membership, of course, should be fully consulted and must
agree before such exchanges take place and in line with ACTU policy, resources should be provided to assist unions in the amalgamation process.

The ACTU Executive should formulate and present a strategy based on those recommendations at the 1987 Congress.

In 1987, the ACTU produced Future Strategies for the Trade Union Movement, which set out the process by which the existing 300+ unions would become 20 industry-based super unions.

By the mid 90’s the number of federally registered unions had fallen from 326 to 142. If you look on the ACTU website today, you will see about 80 listings under Australian unions. While some, such as United Voice, Australian Manufacturing Workers Union, Maritime Union of Australia and the Shop Distributive and Allied Employee’s Union are only listed once – reflecting strong national structures, others have multiple listings, reflecting an inability to reconcile state or regional based differences or cultural or political differences. The Meat Industry Employees Union for example, has 8 – a federal office, 6 state branches and a separate Newcastle Branch. MEAA – the Media Entertainment and Arts Alliance successfully brought together the former Actors Equity, AJA and Theatrical Employees Association but the Australian Writers Guild remains a separate entity.

KEY ASPECTS – HOW DID AMALGAMATION HAPPEN?

In WA, there was a range of practical co-operation between the organisations which was successfully laying the basis for an eventual amalgamation:

- Co-location in the same building
- Sharing admin resources
- Not employing their own staff, but paying the FMWU to provide a particular service (such as an industrial officer).

Attempts to actively involve the membership re what was happening, debated the issues (e.g. for PST’s going into a union dominated by blue collar, less formally trained workers), promoted the benefits.

Some symbolic but important elements – both PST and Enrolled Nurses had a journal, largely produced by members and reflecting the issues they were interested in (including in the case of Educare suggestions for play activities with children) which was retained for many years after the amalgamation. On the other hand, some symbolic issues weren’t addressed (e.g. furniture – jarrah of the HEU; Masonite of the others).

Where there were differences between the amalgamating unions (e.g. wages and conditions of officials, union fees) compromise positions were negotiated.

Leaders were all committed to the principle that the role of the union is to provide the members with the best possible representation and service. There was an over-riding goal and unity of purpose. Leaders were the champions for change
STRUCTURES

A federated structure provided a mechanism to protect the different sectional interests – “where necessary or desired, the amalgamating unions or parts of them, will be constituted as sub-branches of the overall union and given an appropriate title and autonomy”

TIMEFRAMES

WA: Trust established between their leaderships in the years before the amalgamation took place.

National – long timelines which provided for transitional provisions (e.g. expanded Executive and/or senior positions (e.g. several deputy CEO’s) so all interests could be accommodated in the initial stages.

WHATS IN A NAME?

Trying to capture all the elements of the amalgamating unions - The official name of the newly amalgamated union in WA was The Federated Miscellaneous Workers Union of Australia, Hospital, Services and Miscellaneous, WA Branch. You can appreciate why we called it the Misso’s.

When the Misso’s and the Liquor Trades Union amalgamated, the name was the Australian, Liquor, Hospitality and Miscellaneous Worker’s Union. On the one hand reflecting the link to the former Liquor Trades Union; on the other creating additional problems for workers in areas such child care, hospitals and the ambulance service who felt very strongly about being part of a union that had liquor in its official name.

Now called United Voice – not without its own controversy- but a deliberate move away from the previous practice.

EXAMPLES OF NOT AMALGAMATING:

- THE EDUCATION UNIONS – Independent Education Union (private schools, including Catholic) and Australian Education Union (government schools)

Unable to resolve the difference around government funding for private schools.

- WA PRISON OFFICERS

Successful; clearly defined area of coverage, already addressed the drivers for change.

- Enrolled Nurses; Education Assistants remained with Misso’s in WA, rather than joining the “professional” union. Reflecting a concern that their interests would not be adequately addressed in the major union – reflecting the hierarchies in hospitals and schools.