

Portrait of a man, portrait of a union

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The demise of an AWU official is a reflection of the self-destruction that is taking place in the union.

There is no bad blood like that between brothers, and the rumors were getting better by the day. Bruce Wilson, who resigned as an official from the Australian Workers Union last August and has since been questioned about the union's finances by the Victorian and Western Australian fraud squads, had supposedly fled the country. Vietnam, Switzerland, Canada were mentioned, and everyone with an axe to grind about Wilson had a theory about his whereabouts.

The reality is quite different. Wilson is living in Perth's inner suburbs, and his home answering machine gives out a mobile number for contacting him -- hardly the action of someone on the run. Official investigations of Wilson have not resulted in charges being laid; the allegations against him have been kept alive by his enemies.

Wilson is still a young man but his time in the union movement has run out. A return to the union in any official capacity would represent a remarkable comeback. His career, which began as a shop steward working for Mount Newman Mining at Port Hedland in the late 1970s, has come to a crashing halt.

The demise of his union career says much about Wilson -- a hugely ambitious man with undoubted ability who never seemed to know how to harness it. To many of his union colleagues, friend and foe alike, as well as employers, he acted as though there was no tomorrow, never taking the time to consolidate the union's position, particularly in the field of industrial strategy. The overwhelming impression is of a man so determined to get to the top he forgot why he was going there.

But the rise and fall of Wilson is more than the story of an ambitious union official who fell foul of the movement. More importantly, his career gives a crucial insight into the AWU, the union for which he worked for 19 years, before and after it amalgamated with the Federation of Industrial, Manufacturing and Engineering Employees (FIMEE) in November 1993.

In many ways Wilson appears a microcosm of the AWU, pre and post-amalgamation. His weaknesses, his failings reflect the weaknesses and failings afflicting one of the oldest and biggest unions in the country. To understand how Wilson, who has been branch secretary of WA and Victoria, secretary of the national construction branch, and came within a handful of votes of being national secretary, rose to power and then had to quit the union, is to begin to understand why the AWU is in such turmoil that its very existence is in doubt.

Labor historian Robert Murray, in his book *The Split, Australian Labor in the Fifties*, described the AWU as being a union "of officials, for officials, by officials". Murray goes on to argue that the federal secretary, Queenslander Tom Dougherty (who gained the position in 1944), was

powerful because it was a union "where rank-and-file opinion counted for little". As long as Dougherty controlled the state secretaries -- regional barons, in Murray's words -- there was little need to worry about the members.

In those days, unions could treat members more or less as cannon fodder. Officials fought their political battles with unfettered ferocity, safe in the knowledge that the membership, often in protected industries, was locked in. Compulsory arbitration, the closed shop, the notion of class or religious solidarity, a largely all-male workforce concentrated in manufacturing, did the unions' recruiting for them.

A generation later, the scene is changing rapidly. Better-educated members are demanding service -- not slogans -- from unions. As declining membership numbers show, workers are voting with their feet, or simply not joining if they perceive unions cannot adequately serve them. They want the focus to be on their needs -- career paths, wages and conditions, superannuation -- not power struggles based on arcane political ideologies or personal power plays. Add to this enterprise bargaining that brings workers closer to their employer, and it shows why unions are under enormous pressure to show they can add value to the employer-employee relationship. In such an environment, it is axiomatic that a union locked in internecine warfare, in which officials put their positions and their careers before the interests of members, will slowly self-destruct. In the AWU, Wilson has come to symbolise this slow self-destruction.

Wilson is the son of "Tug" Wilson, a prospector who left Perth for Port Hedland in far north-western WA after World War II. Bruce, his brother and sister grew up in the coastal town that served as the port for Mount Newman's rich iron ore fields. Those were the days of frequent strikes, of tough, bloody-minded union convenors, and of mining companies willing to pay almost any price for industrial peace. For any young worker with ambition, the message was obvious: the union movement offered power, glory and, in those heady days, little responsibility.

Wilson was not without talent, a point even his harshest critics concede. In those early days he enjoyed patronage, first from Gil Barr, then secretary of the WA branch, and later Joe Keenan, who secured the position in the mid-1980s when Barr moved east to become national secretary. Wilson quickly learnt to cultivate powerful patrons. And as he climbed the ladder, he ensured there was a network of officials and employees in place whose only loyalty was to him.

He also quickly discovered the value of a block vote in the AWU. In a union renowned for the apathy of its members at election time, Wilson made BHP's operations in the Pilbara, as well as the north-west gas fields, his strongholds. Even when he went to Perth as an organiser in the mid-1980s, Wilson did not neglect the nurturing of his vote in the Pilbara.

At Port Hedland, his first union job was as a shop steward. He then became a site convenor, an elected position. With the AWU's headquarters several thousand kilometres away in Perth, convenors wielded enormous power.

In those early days, Wilson's talent was already evident. He was a good orator who knew how to work a meeting. But the Pilbara was never going to fulfil his ambitions. He was anxious to move on and, while still in his twenties, went to Perth as an organiser. Today, Keenan, who resigned as

WA secretary in 1991 during his second four-year term of office, confirms that he supported Wilson in his early career.

"He was young. He was bright. He obviously had talent. But as time went by I began to lose faith in Wilson," he says. As is often the case when union officials fall out, it was a slow process. But if anything confirmed Keenan's doubts regarding Wilson it was the fact that this young organiser, elected as one of the two WA delegates to the national executive in the mid-1980s, did not vote along agreed WA lines at the national level. This suggested to Keenan that Wilson, virtually a new boy in Perth, was already running his own race.

About this time, an industrial dispute erupted at the North Rankin A platform on the North-West Shelf gas fields that was to propel Wilson to national prominence. Wilson says the dispute was over safety issues. "The company would not agree to the members' demands and sacked them. I went on to the rig (about 150 kilometres offshore) to get the members reinstated," he says.

At that level, it was just another dispute. But Woodside alleged that the workers and Wilson broke the time-honored tradition of ensuring the platform's safety before taking strike action, an allegation supported by Keenan. Wilson, however, vehemently disagrees. "The safety procedures were followed. There was never any risk to the platform or the workers," he says.

The safety issue ensured it was never going to remain a local dispute. The Burke Labor Government got involved and David Parker, then Minister for Minerals and Energy, flew to the Pilbara to resolve it. A decade later, Keenan says the terms of the settlement highlight just how badly Wilson handled it. "The company was furious. There was talk of legal action costing us millions of dollars. In the end, the union was, in effect, forced to sign a no-strike agreement for members working in the gas fields. All this because Wilson overplayed his hand."

Wilson now says his only mistake was agreeing to leave the platform. Whatever the rights and wrongs of the dispute, it sparked serious questioning of Wilson's judgment. Another issue arising from the dispute was the company's decision to ban him from the platforms, holding over him the threat of legal action if he did not comply. It was not until he became WA secretary in 1991 that the then president of the Industrial Relations Commission, the late Justice Barry Maddern, intervened to have the ban lifted. Today, it hardly matters. Woodside has an enterprise flexibility agreement, and the gas fields have become another area where many workers have turned their backs on the AWU.

As Wilson was using his Perth-based position as organiser to extend his influence to the gold fields and to other significant sites, including the Kambalda gold and nickel mine and the construction industry, within the union events were moving nationally that were soon to engulf him. The Queensland AWU secretary, Errol Hodder, had replaced Gil Barr as federal secretary in August 1988. But before moving to Sydney Hodder had made an enemy of his Queensland successor, Bill Ludwig, as a result of having attempted to have Bob Boscacci from the northern district (the huge Queensland branch is divided in six districts) fill the powerful Queensland position.

All state and federal officials went to election in 1989. Hodder and Ludwig each ran tickets, with Hodder enlisting the New South Wales secretary, Ernie Ecob, as his running mate for national president; Ludwig put himself forward for the presidency with Wilson as secretary. The organiser from the west, who had never been a state secretary or president, was playing at the big table.

The outcome was the worst possible result for the union. Hodder retained the secretary's position, and Ludwig won the presidency. It guaranteed disunity, especially as the left had come to power in Victoria by pushing the right wing, under Ian Cutler, from office. Worse, Hodder wanted to introduce central funding in a union in which states had always jealously guarded their rights, especially their financial rights, none more so than Queensland.

Wilson says he had no burning ambition for the national secretary's position. "Hodder had created plenty of enemies and these people were looking for a candidate to run against him. None of the state secretaries wanted to run so it was suggested I put my hand up. I did, and nearly won."

Although Wilson now had a national profile, he also had a more immediate problem. In Wilson's words, Keenan, who was loyal to Hodder, in effect sacked him after the election by making his position as organiser redundant. "He gave me what amounted to a 'Dear John' letter on the flight to a meeting in the east," he says. (In the 1989 election Wilson had secured the position of vice-president of the WA branch, as well as a delegate to the national convention.)

But the national executive, where Ludwig had the numbers and Queensland about 25% of the vote, had Wilson appointed a national organiser, based in Perth. It was the first time such a position had been created, and sent a message to the union that Ludwig would support anyone who opposed Hodder. It gave Wilson the time and resources to organise the numbers on the WA executive to ensure he was Keenan's successor.

Even by the AWU's standards of bitter infighting, the struggle for the secretary's position between Wilson and Keenan's preferred choice, branch president Joe Isherwood, set new lows. In correspondence with Hodder in February 1991, Isherwood detailed the campaign being orchestrated against him: "Because of the crap that has been meted out to me by way of pamphlets organised from within this office and distributed widely throughout the north-west, where the vast majority of our membership is, it has made it impossible for me to function effectively (as president). As an example, the cowards that they are, in early 1989, put out a pamphlet titled Joe Isherwood: An Agent for the Bosses."

Isherwood was not exaggerating. Among other things, the pamphlet alleged that Isherwood was:

- * assisting Woodside to pick and choose union officials;
- * allowing Woodside management to spy on union officials;
- * participating in private and secret meetings with Woodside's management to prevent members from pursuing legitimate claims.

The pamphlet concluded: "The man is a deceitful traitor to the AWU and the union movement -- against those who should be able to trust him I He must not be allowed to continue under the banner of the AWU. He must go."

The blood between Wilson and Isherwood had always been bad, a reality that Wilson still acknowledges. So it was no surprise that on Wilson's accession to power, Isherwood was made redundant. By this stage Hodder, having failed to get the concept of central funding accepted, moved sideways to the Industrial Relations Commission in April 1991. His successor, Mike Forshaw, was quickly drawn into the dispute.

Although the legally trained Forshaw had run on Hodder's ticket in 1989, there was not the deep-seated hatred between him and Ludwig that characterised the burly Queenslander's relationship with Hodder. On the surface, this suggested the AWU had gained breathing space to tackle two pressing problems confronting it.

First, pressure was mounting to amalgamate with the FIMEE. Both right-wing unions were feeling vulnerable as their traditional rivals on the left -- the metal workers and building workers -- were putting together "mega" unions that could threaten their traditional coverage in areas such as construction (civil and mechanical) and metalliferous mining. Second, the left-wing branch in Victoria that swept to power under the aegis of secretary Bob Smith in the 1989 election was in financial trouble. Police had been called to investigate allegations of impropriety resulting in charges being laid against Smith. They were later dropped.

Although there were pressing problems in NSW and South Australia, Victoria was a disaster area. Whatever the right-winger Cutler's faults, the branch had been financially sound under his leadership. The same could not be said of Smith, who had also presided over a sharp drop in membership. To make matters worse, the Labor Government was on the way out in 1992, with all the signs that an elected coalition government under Jeff Kennett would introduce tough industrial legislation.

The AWU had to respond and it did so in June 1992 by appointing Wilson acting branch secretary. Control of the WA branch passed to Ralph Blewitt, but no one was fooled. Wilson now had effective control of two branches. With his ally Ludwig controlling the national executive, it appeared to many observers that it was only a matter of time before Wilson secured the national secretary's position that Hodder denied him in 1989.

If that was the game plan, it quickly unravelled after the amalgamation with the FIMEE in November 1993. From the beginning, the relationship between the joint national secretaries, Steve Harrison of the FIMEE, and Forshaw, was poisonous. Neither trusted nor respected the other. Today, Harrison says it was always understood during the amalgamation talks that Forshaw would leave, probably to the IRC. "It was wink-and-a-nod stuff, but that was certainly the impression I had," he says. For his part, Forshaw, who secured Graham Richardson's Senate seat in 1994, denies that he gave any hint of wanting to leave. "I know it has become accepted wisdom in some quarters that I was looking to get out, but I went into the amalgamation in good faith that Steve (Harrison) and I could make it work," he says. To compound the problem, Ludwig and Harrison quickly fell out.

The union entered 1994 in deep trouble. The AWU and FIMEE brought financial difficulties, declining memberships and vastly different industrial cultures to the amalgamation. The FIMEE, which had grown out of the old Federated Ironworkers Association, traditionally had represented non-trade workers in manufacturing, steel and aluminium, while the AWU's roots were pastoral, civil construction, mining and blue-collar public sector. The FIA had been at the heart of the bitter left-right struggles of the 1950s when Laurie Short, a Trotskyist who became bitterly anti-communist on joining the Labor Party, gained control of the union from the charismatic communist leader Ernest Thornton. The right-wing AWU had been far less committed to the anti-communist crusade.

On another front, the mining group CRA was pushing individual contracts at its mine sites and aluminium smelters. Although a range of unions were affected, the AWU was the biggest loser. Despite the intervention of the ACTU and, to a lesser extent, the Federal Labor Government, the union appeared powerless to stop workers accepting the contracts. The result was not only fewer members: the left-wing Construction, Forestry Mining & Energy Union was standing by, casting a covetous eye on workers in metalliferous mining.

As is often the case, it was a combination of small incidents, such as a retrenchment in the tiny Tasmanian branch, that in early 1995 triggered open warfare between the AWU and FIMEE factions of the amalgamated union. In particular, the circumstances surrounding Forshaw's move to the Senate and his replacement by Ian Cambridge as joint national secretary engendered enormous enmity between the two factions.

Under the rules of the amalgamated union, Forshaw's departure should have delivered to Harrison the secretary's position in his own right. For Cambridge, plucked from South Australia to be assistant secretary under Forshaw, to become joint national secretary, there had to be a two-thirds vote to change the rules. When the vote was taken, only three opposed the rule change. Even Harrison voted for it.

There is no shortage of versions of how Cambridge, with Ludwig's support, garnered the numbers. Cambridge says that many FIMEE officials privately feared Harrison having sole control of the union and wanted to retain the joint position. This is a version that Maurie Rudd, secretary of the Newcastle branch, rejects. Rather, he speaks of Ludwig applying pressure on FIMEE delegates by threatening to block the sale of the union's Sydney headquarters. (It was later sold for \$11.5 million.) For his part, Ludwig subscribes to the Cambridge theory.

Whatever the truth, no one doubts that Harrison did not want to share the position. Although Harrison denies it, some FIMEE officials say he was so bitter over Cambridge's appointment that he considered resigning. And it certainly soured any attempt to establish a sound working relationship between them. Once again, the joint national secretaries were at each other's throats.

What was happening at a national level was reflected in Victoria. Wilson and his FIMEE counterpart, the irascible Bob Smith, simply could not work together. Wilson was in Ludwig's camp, and Smith was a committed Harrison supporter. In this environment, the only certain loser was the union's membership.

In a bid to stem the haemorrhaging in Victoria, as well as ensuring that the union retained its presence in the construction industry, the national executive decided to establish a national construction branch with Wilson as secretary. Harrison says he always wanted a construction branch to ensure that the union retained members in what is a transitory industry. He adds that Wilson was told, in no uncertain terms, that this was his last chance to build a career in the union. "I considered, as did most FIMEE people, that Wilson's career, to date, had largely been a failure."

The industrial register certified the rule changes establishing the branch on February 17 last year. But for two key reasons it was unlikely to flourish. First, Queensland stood aloof from the branch. Second, and more important in the immediate term, was Harrison's decision, just one week later, to bring the feuding into the open with a two-page press release.

Armed with a report from the consultants Starhut, which Harrison said showed the AWU had accumulated debts of \$11.6 million, the press release said a reform team in the amalgamated union would contest elections due later in the year. (Only AWU officials were up for election.) Harrison and joint assistant secretary Chris Hayes, a defector from the AWU's ranks, then called on Ludwig and Cambridge to resign immediately, "other than suffer the ignominy of being thrown out of office".

The gloves were off. And although the two warring factions later patched up their differences with the signing of a document quaintly called the Magna Carta, no one believes all is well. Ludwig did not sign, arguing that he had not broken the previous pact.

Every new issue inflames the old rivalries -- none more so than the discovery of unauthorised bank accounts in the Victorian branch of the AWU, which emerged when Bob Smith had all the accounts frozen on becoming sole branch secretary.

To Cambridge, the unfolding of these events, and Wilson's involvement, demands nothing less than a royal commission. As he told the former Industrial Relations Minister, Laurie Brereton, in a letter demanding a commission, the Victorian fraud squad is investigating the existence of \$160,000, including union membership subscriptions, in unauthorised bank accounts being operated by union officials.

Cambridge was after Wilson's blood. He says he spoke to Ludwig about the Victorian crisis and was assured that the Queensland secretary had no knowledge of it. By this stage Ludwig had recognised Wilson was a liability, to put it mildly, and had withdrawn support, virtually ensuring his demise.

But Wilson's exit was never going to be clean, and both sides have milked it for political advantage. Cambridge accuses Smith of playing a spoiling role, refusing to divulge information. Smith counters that he was simply following legal advice. In the end a redundancy package totalling about \$150,000 was paid to Wilson and about five colleagues, a payout Cambridge and Ludwig tried to stop. Harrison, who says his faction wanted to quickly cut all links with Wilson, adds that the payout was no different from that awarded to South Australian joint secretary Brian Martin late last year.

Harrison says he believes that although Wilson has breached union rules, there are no grounds for criminal charges and that the police investigations will peter out. He could well be right. Whatever the upshot of the police inquiries, the damage to the union has been irreparable. Wilson has divided the union at a state and federal level, been largely proved an inept administrator and has a poor record as an industrial strategist. The evidence suggests his first and foremost priority was Bruce Wilson. In this, he largely reflects the union's attitude. The AWU remains bitterly divided.

In the meantime, members are voting with their feet. Considering that Wilson, for example, has headed three branches since 1991 (Victoria, WA and construction) without facing election, they have little other choice. This means that no matter which faction wins next year's poll, it is likely to be fighting over ever smaller spoils.