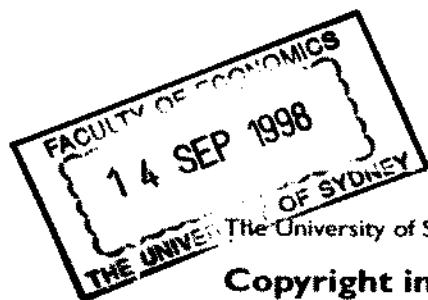


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Trade Union Mergers: An Analysis of the Formation and Evolution of the Media, Entertainment and Arts Alliance, 1987-1996

by

Grant Michelson

**A thesis submitted in fulfilment of the
requirements for the degree of Doctor of
Philosophy in Industrial Relations at the
University of Sydney, Australia**

June 1998

To my parents, Conrad and Fiona Michelson
and in loving memory of Euphemia Valetta Turnbull
(2 September 1909 - 6 March 1998)

Trade Union Mergers: An Analysis of the Formation and Evolution of the Media, Entertainment and Arts Alliance, 1987-1996

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Abbreviations

AAA	Association of Architects of Australia
ABC	Australian Broadcasting Corporation
ACIAA	Australian Commercial and Industrial Artists Association
ACOA	Administrative and Clerical Officers Association
ACTU	Australian Council of Trade Unions
AFA	Advertising Federation of Australia
AIRC	Australian Industrial Relations Commission
AJA	Australian Journalists Association
ALP	Australian Labor Party
APSA	Australian Public Service Association
APSB	Australian Public Sector and Broadcasting Union
ATAEA	Australian Theatrical and Amusement Employees Association
ATEA	Australian Telecommunications Employees Association
AWIRS	Australian Workplace Industrial Relations Survey
AWU	Australian Workers Union
CFMEU	Construction, Forestry and Mining Employees Union
CPSU	Community and Public Sector Union
EIC	Entertainment Industry Council
FCU	Federated Clerks Union of Australia
FLAIEU	Federated Liquor and Allied Industries Employees Union
FMWU	Federated Miscellaneous Workers Union
MEAA	Media, Entertainment and Arts Alliance
NSW	New South Wales
NSWTEU	New South Wales Theatrical Employees Union
OPDU	Operative Painters and Decorators Union
PKIU	Printing and Kindred Industries Union
PREIA	Professional Radio and Electronics Institute of Australasia
PSU	Public Sector Union
SA	South Australia
SBS	Special Broadcasting Service
TDC	Trade Development Council
TMA	Theatre Managers Association
VPOU	Victorian Printers Operatives Union

Summary

Trade union restructuring has been a widespread feature of the Australian labour movement through the late 1980s and early 1990s. During this period union merger activity reached historically unprecedented levels with relatively few trade union organisations left untouched by the process of restructuring. This study is located in such events and analyses the formation (by way of merger) and subsequent evolution of one union - the Media, Entertainment and Arts Alliance (MEAA). Upon its creation in 1992 from the joining together of the Australian Journalists Association, Actors Equity and the Australian Theatrical and Amusement Employees Association, the MEAA sought further mergers to consolidate its industry coverage. In addition, the new union was affected by breakaways as certain groups sought to secede from the MEAA.

Adopting a thematic approach the thesis unpacks the various stages in the union merger process to explain how and why the union formed in the way that it did. It shows how the trade union merger process is highly iterative whereby each of the main stages in the process are inter-related and interwoven with each other. It also shows how the post-merger environment is largely shaped by earlier steps in the process; the extent of merger opposition and the details agreed to during the negotiations influenced the early years (1992-1996) of the MEAA's existence.

The thesis argues that an integration of strategic choice and resource dependence theories can help explain why trade union mergers in the media and entertainment industries have occurred. An integration of resource dependence theory with strategic choice theory explains *why* trade unions make particular strategic decisions. Conversely, strategic choice explains *how* unions acquire resources and manage both internal and external dependencies. Further, the integration of the two perspectives is useful in explaining why some trade unions chose not to merge (such as the Musicians Union of Australia), or to merge with a different union grouping

(such as the direction chosen by the Australian Broadcasting Corporation Staff Union).

CHAPTER 1: INTRODUCTION

Introduction

In recent years, declining trade union memberships and effectiveness have prompted many unions to re-examine their structures (Strauss, 1993). The pressures faced by trade unions across a number of different countries have included, for example, the rise of new sophisticated management-led initiatives and a subsequent re-assertion of managerial prerogative, inimical legislative changes, the growth in services typified by casual and part-time employment which pose a challenge to traditional organisational approaches, and international economic fluctuations impacting on domestic product and labour markets. One method that unions have historically embraced in response to changes in their environment has been to restructure themselves through merger (e.g. Turner, 1962).

An often implicit assumption surrounding union mergers is that merger will enable trade unions better to adapt to their environment. Strauss (1990) argues that merger represents a way of ensuring a better 'fit' between a union's strategy and its structure. That is, union mergers affect external union structures by changing union jurisdictions or territories (Abrahamsson, 1993). The importance of union structures for organisational effectiveness has long been recognised by trade union scholars (e.g. Fiorito *et al.*, 1991, p. 103). There is clear evidence of such structural change in the labour movements of a number of industrialised countries. Between 1949-1979 in the United Kingdom there were nearly 300 unions which disappeared as a result of merger activity between trade unions (Buchanan, 1981a; 1981b). In addition, there were 143 union mergers over the period 1900-1978 in the United States (Chaison, 1980), and at least 94 mergers involving federally-registered unions occurred in Australia between 1905-1986 (Griffin & Scarcebrook, 1989). While union mergers have been common in these three countries in recent years, it is in Australia where the most dramatic

consolidation has taken place (see Chaison, 1996; Fiorito *et al.*, 1991).

From the late 1980s and continuing into the early 1990s, trade union merger activity in Australia has been widespread; between 1987 and 1994 a total of 80 mergers took place (Chaison, 1996, p. 121). This transformation of the labour movement has led the Australian Council of Trade Unions (ACTU) to estimate "that by the end of 1993, 98 per cent of the unionized workforce will belong to nineteen or twenty unions" (reported by Gahan, 1993: 613). The unparalleled number of union mergers that have taken place in this period invites systematic examination. In particular, questions such as why do trade unions consider and pursue merger, how do unions combine their organisations with other unions, and to what extent do mergers achieve or satisfy the reasons that have driven the change in union structures, are worthy of empirical analysis.

The structure of this chapter is as follows. First, it will outline the aims and scope of the research. Here, the questions guiding the study and the central thesis argument are stated. In addition, the methodology adopted, the industry context and the cases which will test the key propositions are introduced. The second section will operationalise the term 'merger'. In doing so the discussion will show how there are two principal types of merger - absorptions or amalgamations. This is an important distinction to make as subsequent chapters will illustrate. A review of the extant trade union merger literature is provided in the third section of the chapter. Here, literature drawn from industrial relations, economics, organisational theory and sociological traditions are referred to. The review will demonstrate a tendency by previous researchers to explain trade union merger activity by referring to either external or internal union factors. However, it is argued that such explanations typically fail to provide a comprehensive account of union mergers. In addition, much previous research is bounded within a single disciplinary tradition. Together, these limitations provide a point of entry for the analytical framework adopted by this study. This is presented in the fourth section. The thesis contends that an integration of strategic choice and resource dependence perspectives provides a useful theoretical tool to explain how and

why trade unions combine, or fail to combine their organisations. The fusion of the two perspectives also allows an explanation of merger activity to be based on considerations both external and internal to unions. The fifth and final section outlines the contents of the remaining thesis chapters.

Aims and Scope of the Research

The primary purpose of the study is to investigate both why and how trade unions in Australia have merged from the late 1980s, and whether the espoused outcomes (benefits) of merger have been realised. The importance of mergers in recent union restructuring in Australia demands that a theory identify the features that contribute to, as well as hinder, the successful conclusion of a merger. This is because evidence suggests that not all attempts by unions to merge are successful (e.g. Australian Electoral Commission, 1993; Chaison, 1985; Michelson, 1997). Controlling for contextual differences, the study will therefore trace in detail a series of both successful and unsuccessful attempts to merge different unions operating within the same industry sectors.

Whether the espoused benefits of merger for trade union organisations have been realised further requires the study to establish a nexus between merger outcomes, the means by which merger is pursued and the motivations that have driven the restructuring process. This link reveals a key assumption underpinning the research; namely, that an analysis of union merger activity can best be understood as a *process* rather than simply as an *event*. In this regard, a wide view of union mergers is adopted where the event of merger is but one step in the overall merger process. The theoretical framework guiding the study (see below) allows for a process view of trade union restructuring. The central argument made by the study is that merger occurs between unions where actual or perceived changes in the external or internal union environment sufficiently threatens critical resources required for organisational survival and viability. Where environmental factors do not pose such a threat there is little likelihood that trade unions will merge.

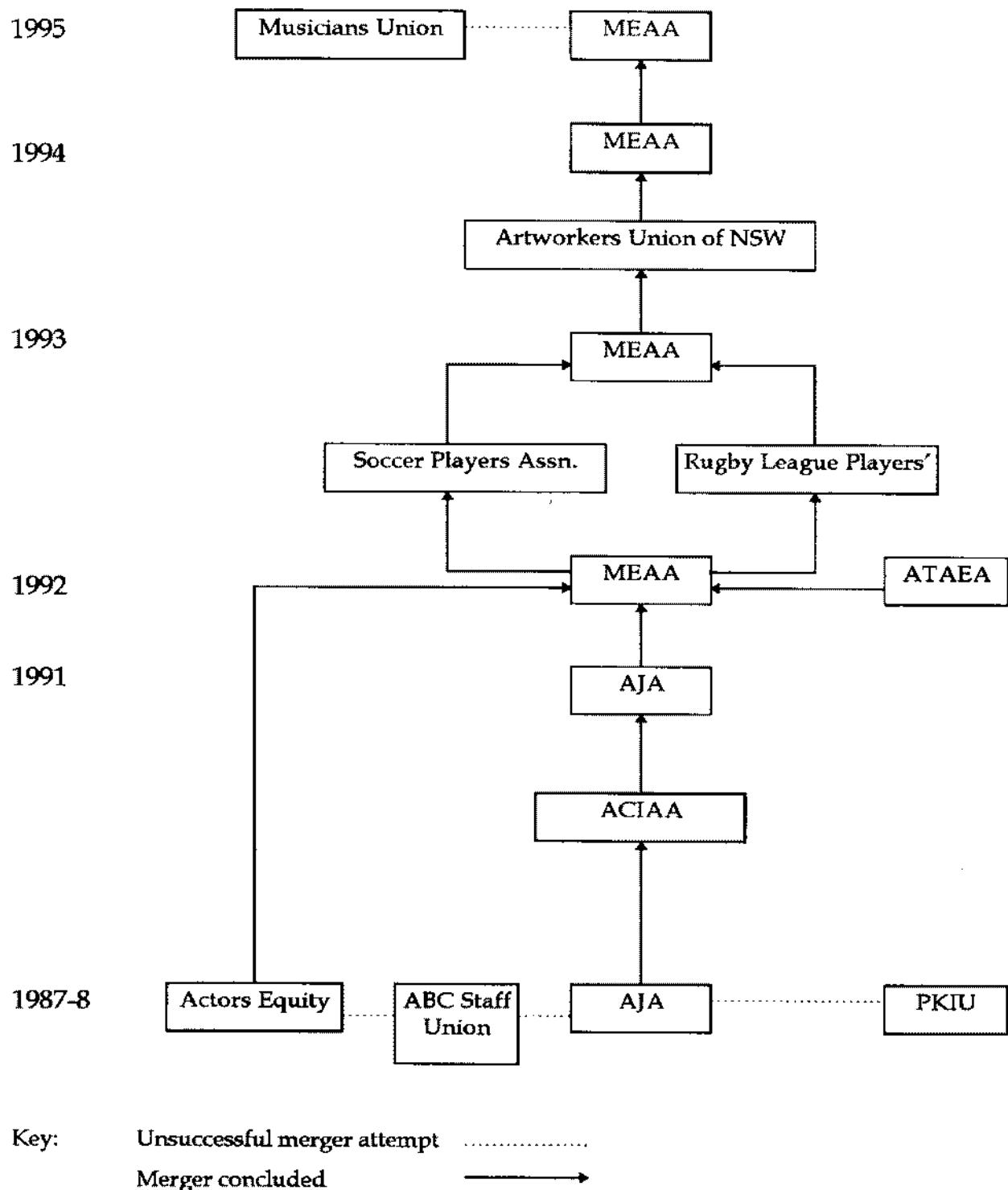
This argument also affects how trade unions merge; unions, through their full-time officers, will attempt to combine in such a way as to gain greater control over the resources that their organisations need. This suggests that the process by which unions merge influences the outcomes of merger for those unions involved. In other words, the consequences of merger for trade unions are not independent of the processes of merger. It is apparent from this overview of the thesis argument that two further assumptions need to be made explicit; first, that the underlying theory supports the premise that mergers are voluntary and that officers can either accept or reject merger overtures (see also Chaison, 1996, p. 66). The second assumption is that the study treats unions as organisations. This position has wide received support by other scholars (see Child *et al.*, 1973; Freeman, 1980; Freeman & Brittain, 1977; Hocking, 1990; Lawler, 1982).

In order to address the primary research questions - why and how do trade unions merge - a case study methodology is employed (see Appendix One for a full description of the methodology). Case studies help capture the range of political, historical, and other union-specific diversities that characterise the complex nature of the merger process. They are particularly suitable when a contemporary phenomenon is being investigated within its context, and when the boundaries between phenomenon and context are not clearly evident (see Yin, 1989, p. 23). Case study research is a common method of inquiry in industrial relations (Michelson & Baird, 1995). Previous case studies of union mergers include those conducted in the pulp and paper (Graham, 1970), banking (Morris, 1986) and metal fabrications (DeCenzo, 1981) industries. In Chitayat (1979), union merger cases were drawn from sectors such as rail transportation, nonferrous metals, pulp and paper, and bakery and confectionary. Another study which adopted a multiple case study approach, focused on union mergers in the building, engineering, health and banking industries (see Undy *et al.*, 1981). With few exceptions (e.g. Carter, 1991), these usually more intensive investigations have, to date, involved unions representing mainly blue-collar workers.

The present study, which is based on a series of in-depth cases within the Australian media and entertainment industries, contributes to the literature on trade union mergers. This claim is sustained both because it is located in sectors where very little research on trade union mergers has occurred, and because it deals predominantly, but not exclusively, with white-collar workers. Given the ubiquitous nature and constancy of technological change, among others, affecting work in the entertainment industry (see Gray & Seeber, 1996), an examination of unions in this sector could have wider implications for trade unions elsewhere also seeking to adapt their structures successfully to a shifting operating environment.

The 'case' or unit of analysis referred to is the merger rather than the union. The analysis rests on the formation - by way of merger in May 1992 - and subsequent evolution of the Media, Entertainment and Arts Alliance (MEAA) through 1996. The constituent members of the MEAA included the Australian Journalists Association (AJA), Actors Equity (Equity) and the Australian Theatrical and Amusement Employees Association (ATAEA). Given its centrality, a substantial part of the thesis is devoted to this case. In addition, the study will discuss a number of related merger cases: the four successfully-concluded mergers of the Australian Commercial and Industrial Artists Association (ACIAA) by the AJA in 1991, and of the Artworkers Union of NSW, the Professional Rugby League Players Union and the Australian Soccer Players Association by the MEAA in 1993-94. In addition, three cases where there was an attempt, albeit unsuccessfully, to merge are examined. These include efforts by the AJA to merge with the Printing and Kindred Industries Union (PKIU) in 1987-88, the attempt by the AJA as well as Equity to combine with the Australian Broadcasting Corporation Staff Union in 1987-88 and the attempt by the MEAA to merge with the Musicians Union of Australia from late 1992. A total of eight merger cases are therefore examined over a time frame that extends from 1987 to 1996 (see Figure 1 below). The parameters of the study allow for some evaluation of the espoused benefits of merger to be empirically tested.

Figure 1: Family Tree of Union Mergers - The Formation and Evolution of the MEAA



Towards a Definition of Trade Union Mergers

There have been a number of definitions offered by different writers for what constitutes a union merger (e.g. Chaison, 1986; Chitayat, 1979; Spooner, 1984; Stratton-Devine, 1989; Waddington, 1988). The existence of these differences alone have made the synthesis of research findings somewhat problematic. Compounding this problem has been the confusion generated by such terms as 'merger' and 'amalgamation', used interchangeably in some studies (e.g. Buchanan, 1974; 1981b; Elias, 1973), while in others they have been treated as mutually exclusive categories (e.g. Spooner, 1984). The issue becomes further complicated as some regard an 'amalgamation' as simply one form of union merger (Chaison, 1979).

The Concise Oxford Dictionary states that to amalgamate is to 'mix or unite' and that an 'amalgamation' is the 'merging of two or more business concerns into one'. Similarly, to merge means to 'to lose character or identity in another; join or blend gradually'. A merger, therefore, is defined as the 'combining of two commercial companies etc. into one'. The essence of these definitions requires that there be a combination of at least two separate entities. Chitayat, for example, considered that a trade union merger was the combination of two or more unions under common control (Chitayat, 1979, pp. 2-3). This particular definition satisfies these requirements but yet is incomplete as it makes no allowance for the possible role played by temporal factors or the extent (degree) of combination. In other words, the dictionary definitions suggest that a merger need not necessarily be an instantaneous and complete fusion at the point of consummation (cf. Janus, 1978). In practice, the combining of at least two separate trade unions into a single organisation may occur either very rapidly or may proceed along more gradual lines. Coady (1976, cited in Chaison, 1986, p. 2) recognises this problem and defines a merger as being the fusion of two or more trade unions to form a single organisation, in the process of which (emphasis added) one or more of the unions loses its separate identity.

In a study conducted in the United Kingdom, it was proposed that a merger occurs “when two (or more) trade unions join together, the independence of (at least) one of the unions being subsumed, resulting in a single independent organisation” (Waddington, 1988: 410). This definition, like Coady’s, takes into account the possibility that there is at least some loss of autonomy for at least one of the merging unions (see Janus, 1978). In addition, the definition is not incompatible with the consequences of Chaison’s (1979; 1980; 1982b; 1986) claim that union mergers basically take one of two forms – an amalgamation or an absorption. The difference between the two merger types is determined principally by size; under an amalgamation, merging unions are similar in size, while for an absorption a substantial size differential exists among merging unions. According to Chaison (1986), in an amalgamation a new organisation is formed from the joining together of two or more unions, while an absorption consists of one organisation being submerged within the other. A new organisation is not created from an absorption. Under either merger form, however, a certain loss of independence will result.

A related issue to the preceding one is the degree of structural and organisational integration necessary for a merger. Some have assumed that a union merger involves the total integration of two or more unions (e.g. Stratton-Devine, 1989). However, while a complete integration may be the result in some cases of union merger, this definition is deficient inasmuch as it does not provide an exhaustive account of the range of merger possibilities. Other research suggests that there is considerable latitude in the degree of integration of union governing structures following a merger (Chaison, 1982b). This could indicate that an absorbed union, for example, might not disappear as a separate entity in every case. They might in fact be established as a separate division within the absorbing union (Chaison, 1982b).

While recognising that a merger may not necessarily be a complete and instantaneous combination of two or more trade unions, it is important to note that, like any process, union mergers involve the passage of time. Thus, a crucial

question which begs itself is when does a union merger begin and end? Some writers consider that merger as a process may extend over a number of years although the merger itself is simply an event in this process (Hughes, 1967). Establishing the commencement date is more vexed than the point at which a merger is concluded: announcing the union's intention to try and effect a merger is probably when the majority of members are first made aware of the process. It is possible the process begins even earlier with rumours of merger negotiations reported in the media or actual surreptitious merger talks. However, even these incidents may be inadequate as the point at which the merger is first initiated. Perhaps an expression of interest in merging as reflected in the recorded minutes of a union executive or council meeting is more suitable to signal the commencement date of the attempt to merge for at least one of the unions concerned. Alternatively, an exchange of correspondence between union leaders concerned with pursuing a merger could trigger the beginning of the process. These examples illustrate just some of the possibilities which could indicate when the union merger process begins. For present purposes a broad view will be taken.

It is appropriate too, to review at what point a merger (the event) is actually consummated. Research on this question has been informed by reference to relevant industrial statutes (Deery, 1983; Elias, 1973; Spooner, 1984; Upton, 1980). Under the *Trade Union (Amalgamation) Act 1964* in the United Kingdom, a union merger could not take effect until the Registrar had registered the (new) organisation (Elias, 1973). As Undy *et al.* (1981) note too, "(t)here is therefore in the merger process a point at which the joining together of the unions is clearly legitimized" (p. 168). An assumption of these and other researchers (e.g. Cupper & Hearn, 1980) which needs to be made explicit is that unions in any 'living together' arrangements are not counted in formal merger statistics. Such arrangements, for all intents and purposes, are where the separate organisations appear to be operating more as a single, unified organisation than as the separate legal entities they in fact are. For instance, the sharing of union premises and research facilities might be a manifestation of this form of co-habitation (see

Woodward, 1967, p. 98). It is unlikely, however, whether 'living together' arrangements extends to control of the other union's financial resources and decision making processes.

Spooner (1984), in Australia, also refers to legal processes to determine the point of combination. However, in this case a sharp contrast was drawn between an 'amalgamation' and a 'merger'. The former results where "two or more registered trade unions combine their legal identities in accordance with the relevant law, thereby ceasing to exist as separate identities and becoming one new and legally distinct trade union" (Spooner, 1984: 87). Under this formulation an amalgamation is narrowly construed to refer to the joining together of unions which are registered under the same industrial legislation. A union merger occurs, according to Spooner, when two or more trade unions still combine but yet do not follow the procedures set out in the law governing amalgamations (Spooner, 1984, p. 88). For example, a merger between unions is taken as those which involve unregistered organisations or organisations registered under different industrial (federal or state) jurisdictions. Whether this distinction is actually helpful in practice is uncertain, as elsewhere Spooner notes that "mergers and amalgamations require the same degree of co-operation and produce essentially the same result" (Spooner, 1984: 26).

In the interests of uniformity and to avoid further confusion, the term 'merger' will be used hereafter. This term is not viewed, however, in the same sense as Spooner's formulation. Where used throughout the thesis, the terms 'amalgamation' and 'absorption' refer to Chaison's theorisation noted earlier and are two different types of 'merger'. Consistent with a guiding assumption of the research, the discussion thus far suggests that a merger may, at the same time, be both a discrete event in addition to being a process (see Hughes, 1972, p. 154). The necessary features of a union merger therefore appear to be that there is a combination of two or more separate trade unions; there is a legal combination; there is often a resultant loss of autonomy and control for at least one of the unions involved (even if this loss is only minor); and reduced autonomy and

control will occur either at the point of combination or at some agreed stage thereafter. For present purposes, a union merger is defined as having occurred when all these characteristics are satisfied. This definition has been adopted by the author elsewhere (see Campling & Michelson, 1997, pp. 215-216). By its very nature a union merger, due to the legal fusion of trade unions, is a more permanent and enduring arrangement than other organisational co-operation strategies such as informal collaborations and coalitions.

Trade Union Mergers: A Literature Review

The following review of previous union merger studies will reveal first, how there are different reasons for merger between unions and, second, how many of the available studies concentrate either on external or internal union factors to explain trade union restructuring. From this point the chapter will proceed to introduce the analytical framework used throughout the study.

A number of writers including Chaison (e.g. 1979; 1980), Chitayat (1979), Undy *et al.* (1981) and Waddington (1994; 1995) provide evidence of different union merger forms. For example, and as revealed earlier, Chaison uses variations in the organisational size of merging unions to account for two types of merger - amalgamations and absorptions. While there is a slight variation in nomenclature, the two merger forms adopted by Waddington (1994; 1995) - amalgamations and acquisitions - are essentially the same as Chaison's two forms. The choice between an absorption and an amalgamation is affected by such factors as the availability of merger partners, labour federation or peak union policies and laws aimed at transforming union movements (see Chaison, 1996, p. 159). These factors have all been important in the Australian context.

Trade union scholars posit that amalgamating, absorbing (acquiring) and absorbed (acquired) unions typically have different merger objectives. These differences, in turn, helps to shape the trade union merger process. Absorbing unions are more likely to seek greater influence over competitor unions and

employers in bargaining structures, while absorbed unions often seek protection in a larger organisation that is prepared to grant them some post-merger identity and independence (Waddington, 1995, p. 108). Willman *et al.* (1993) note how competition among unions for merger partners helps explain the generosity of many merger agreements which disproportionately favours the smaller (absorbed) union. Thus, union size may be a poor indicator of the bargaining power or influence that smaller or absorbed unions are able to wield in merger negotiations.

Undy and his colleagues in the United Kingdom also attempt to demonstrate that union mergers may exhibit variations in form and that the different trajectories in merger process are contingent on one of three sets of motivations held by unions seeking to merge. These are: *defensive* (mergers motivated by a desire to prevent organisational extinction), *consolidatory* (mergers designed to strengthen a union's position in an industry or occupation), and *aggressive* (mergers primarily driven by growth and expansion)(see Undy *et al.*, 1981)¹. The last category, for example, might involve entry into new job territories or industrial sectors and may help reduce the risk of union decline (Aston, 1987). It is argued that the different motivations are determined by absolute and relative changes in a union's membership; the former change prompting defensive mergers, the latter producing consolidatory and aggressive mergers (Undy *et al.*, 1981, pp. 214-215). The classification scheme proposes that union mergers may be undertaken in order to satisfy quite different goals and objectives. As such, it contrasts the work of Stratton & Brown (1988) in the United States who essentially regard all union mergers as reactive or defensive in nature.

¹ Research conducted in Australia has proposed three types of union merger motivations: defensive, positive, (basically the same as defensive and consolidatory motives, respectively, in the Undy *et al.* typology) and pre-emptive (a union is motivated by a desire to prevent a different merger from taking place) (see Spooner, 1984, p. 111). Interestingly, Chaison also believes that his approach to merger classification - amalgamation or absorption - is consistent with Undy *et al.*'s classification. That is, amalgamations are usually consolidatory mergers and absorptions are generally seen as defensive by the smaller union and aggressive by the larger one (Chaison, 1996, p. 201).

Declining memberships is thought to be a major factor precipitating trade union mergers (Buchanan, 1981b; Chaison, 1986; Davis, 1987; Druker, 1988). Even in general descriptions or overviews of merger activity one is struck by the frequency with which unions proposing to combine have lost members in the period prior to commencement of merger discussions (e.g. Adams, 1984; Dewey, 1971; Janus, 1978; Williamson, 1995). In Australia, anecdotal evidence also supports a nexus between declining union memberships and merger activity (Gardner, 1986, p. 137).

While more recent British research has found that there are in fact very few 'aggressive' or expansionist unions involved in mergers, they do account for a disproportionate share of total union merger activity (Undy, 1993; Willman, 1996). Work undertaken in Australia also appears to confirm the heavy involvement of unions with 'aggressive' intentions in overall merger patterns. Griffin & Scarcebrook (1989) observed that only three unions accounted for slightly more than one-quarter of all mergers involving federal unions between 1905-1986.

The original Undy three-fold scheme may require further refinement. For one thing, it is not clear whether the categories are mutually exclusive; the distinction between a defensive and consolidatory merger, and a consolidatory and aggressive merger may become blurred in practice. That is, a merger designed to enhance a union's position in its area of jurisdiction (consolidation) might, at the same time, also be construed as a form of expansion (aggressive). This criticism appears to have merit as Undy himself has acknowledged in a recent study which showed that some of the consolidatory unions studied also embarked on some aggressive mergers (see Undy *et al.*, 1996, p. 49). Waddington (1992) also argues that in Britain during the 1980s many union mergers have in fact served a dual purpose - to arrest membership decline and to expand membership recruitment. It therefore becomes problematic which category some mergers should be placed in.

Extending this idea, the Undy scheme implies that a single dominant merger motive can in fact be identified. This may be problematic as some unions generally regarded as 'aggressive' organisations have had multiple incentives precipitating their mergers (see Chitayat, 1979, p. 37). Membership changes are not necessarily the only or even a major factor of consideration in merger activity as some have attested. Campling & Michelson (1997) and Morris (1986) contend that internal factors such as changes in union membership are insufficient on their own to predict the outcome of a merger. In Morris' case study, which analysed an attempt at a 'consolidatory' merger among two unions in the British banking industry, He observed that both unions had experienced membership gains, in both absolute and relative terms, to other white collar unions. It was argued that the motivation to merge for these unions was related to non-membership factors such as the 'costs' of remaining separate and union bargaining power (see Morris, 1986). The value of this criticism lies in its drawing attention to what Morris calls the cost/benefit logic implied in the Undy typology; that membership changes are sufficient to stimulate mergers. For Morris, trade union 'rationality' consists not only the cost/benefit approach, but also internal political considerations (Morris, 1986, p. 138). Underpinning this view is an assumption that union mergers entail a difficult and protracted process and that considerable planning, negotiation and compromise are required before a merger will occur (Fox *et al.*, 1995).

It appears too, that the Undy scheme is concerned only with the motives of the major partner in the merger and, as such, assumes the minor union is primarily motivated by defensive factors (see Undy *et al.*, 1981, p. 167). On this second point, Chaison in the United States provides a note of caution. He found that out of eighty absorptions examined, there were thirty cases where the absorbed (smaller) union had increased its membership prior to the merger (Chaison, 1981, p. 103). It is difficult to see how such cases would fit the 'defensive' model. This example shows that while changes in union membership appear to be a common feature of union mergers, there is not necessarily a linear causal relationship between membership decline and union merger activity. The relationship is far

more complex (Waddington, 1992).

Finally, recent empirical research has shown that the three merger categories as originally formulated are not exhaustive. There were a small number of unions in one study which did not seem to fit any of the types and therefore deemed not to have a merger policy. The researchers concluded that such unions “were generally opportunistic or unplanned in their merger activities” (Undy *et al.*, 1996: 49).² While the researchers did not sufficiently expand on the theoretical implications of this statement, what is immediately apparent is that, if correct, the threefold typology requires some amendment to include such ‘residual’ cases. However, the framework adopted in this study (see below) rejects the claim that union mergers lack purpose and are simply opportunistic.

In addition to membership changes, merger may also be seen by unions as helping to solve financial difficulties or to enhance financial strength (Buchanan, 1974; Davis, 1987; Masters, 1997; Waddington, 1995). These two factors - membership patterns and finances - are often associated together; declining memberships with an accompanying loss of subscription income contains implications for trade union finances (England, 1979; Morris & Willman, 1994). However, explanations of trade union merger based entirely on economic theory are insufficient. Analyses which assume that trade unions are rational economic agents which attempt to maximise their utility (e.g. Conant, 1993; Conant & Kaserman, 1989) may overstate the financial benefits of merger. Research has found that increased bargaining power, improved services, and declining memberships are of more relative importance than economic incentives in promoting merger activity (Willman *et al.*, 1993, p. 96). Further, it has been cogently argued that analyses which treat unions as rational economic agents mis-specify union objectives and activities (see Turnbull, 1988). Non-economic considerations can and do influence union decision-making processes.

² Other writers also contend that union mergers, in particular, absorptions, are opportunistic (see Aston, 1987; Elias, 1973; Windmuller, 1981).

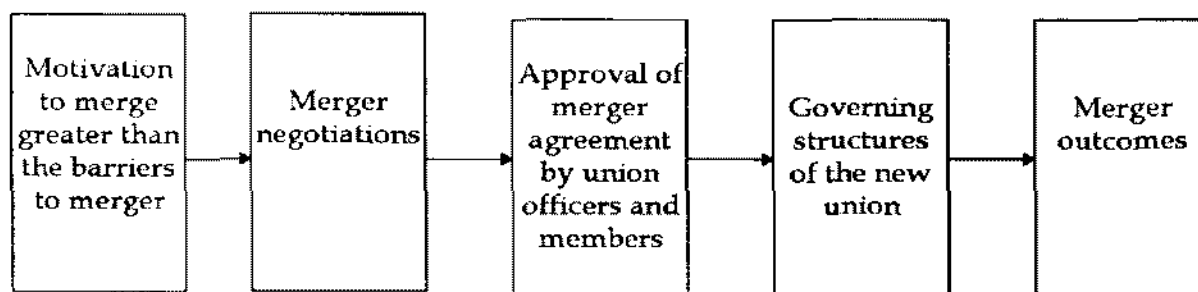
In Australia, union financial data during the 1970s and 1980s has been examined with the finding that overall, unions were in good shape financially by the end of the 1980s. This led the researchers to conclude that “financial considerations, often advanced as a possible influence on union mergers, were not a major factor contributing to the spate of recent mergers in Australia” (Griffin & de Rozairo, 1993: 434). Similarly, in the United States many large unions have maintained a strong financial base despite experiencing substantial membership decline between 1979 and 1993 (Masters, 1997). The findings of this study demonstrate that there is no clear relationship between union finances and union membership. It also presents evidence which militates against financial explanations of union merger activity. It should be noted, however, that these two studies analysed union finances at an aggregate level and, as such, may mask differences between the experiences or specific conditions faced by individual unions.

This review of membership changes and union finances tends to confirm Chaison’s (1986, p. 58) view that these factors are symptoms of motivating factors rather than direct causes of merger themselves (cf. Waddington, 1995).

The role played by union officers in general and union leaders in particular in the merger process permeates the research literature (e.g. Conant, 1993; Graham, 1970; Griffin, 1992; Griffin & Giuca, 1986; Stratton-Devine, 1992; Undy *et al.*, 1981; Upton, 1980). Evidence strongly suggests that union leadership is a key factor in the union merger process. They initiate (Undy *et al.*, 1981; Willman *et al.*, 1993), promote (Griffin & Giuca, 1986; Hocking, 1990), or even inhibit union mergers (Cameron, 1982; DeCenzo, 1981; Michelson, 1997). This is not altogether unsurprising since the responsibility for negotiating a merger agreement usually lies with a union’s top officers (Chitayat, 1979). While a close relationship between different unions’ leaderships can facilitate merger negotiations (Chaison, 1996), it is doubtful whether leadership support for a merger (via the exercise of agency) by itself is a sufficient pre-condition to conclude a merger (e.g. Janus, 1978, p. 22).

There have been a number of previous studies which have attempted to theorise trade union mergers. One of the best known of these is the work of Gary Chaison (e.g. 1978; 1979; 1980; 1981; 1982a; 1982b; 1983). Drawing together the insights of his earlier studies, he posited the following model of the union merger process:

Figure 2: The Chaison Trade Union Merger Model



Source: Chaison (1986, p. 8).

Clearly influenced by systems theory, the model shown in Figure 2 provides a useful description of how unions merge. It contends that union merger outcomes are influenced by the degree of integration of trade union structures which, in turn, is a function of the negotiations. It further shows that it is only when the propensity to merge is sufficiently pressing will negotiations for a merger agreement between two or more unions commence.

Notwithstanding its contribution to providing greater understanding of trade union mergers, the model contains a number of limitations. First, it does not explain why trade unions contemplate merger in the first place. This is a serious omission. Second, the model suggests that once unions enter the negotiations stage of the process a merger will be concluded, all things equal. This is because the unions' merger motives are stronger than the barriers. Thus, there is no rational reason why merger negotiations should collapse. However, others have noted that unions may commence merger negotiations even where there is a low propensity to merge (Graham, 1970; Michelson, 1997). In other words, the model

is designed to describe cases of union merger which are in fact consummated. This is only a partial account and a comprehensive analysis of trade union mergers requires that scholars explain total merger attempts.

Finally, the model tends to emphasise a condition of stability or stasis in that the process appears to be a 'closed' one. Given that many Australian trade unions, including the media and entertainment unions in this study, have been active in multiple sets of merger negotiations (see Figure 1 on page 6), it seems reasonable to posit that subsequent attempts to merge by different unions is related to the outcomes from their previous mergers. In other words, it appears likely that a learning effect could result from prior attempts to combine and, to reflect this more dynamic approach, the extant linear model may benefit from incorporating a feedback loop from merger outcomes to earlier stages in the process. This amendment would suggest that a series of individual mergers involving the same union(s) are not independent of each other.

Taken together, the above criticisms of Chaison's union merger model suggest that considerable scope still exists for more theoretical delineation of the trade union merger process. Interestingly, this has previously been acknowledged by Chaison: "While general amalgamation and absorption categories have been useful in analyses of overall merger activity, any attempts to develop micro-level theories of mergers may require a closer look at the differences within these categories" (Chaison, 1982a: 201).

Adopting a deductive approach, some longitudinal studies of union mergers have attempted to theorise union mergers by disclosing statistical relationships between merger frequency and various environmental measures. In this way, union mergers are primarily explained by reference to external variables such as government policies (for example, legal influences), the economic environment, and change in wages and prices. Such aggregate-level analyses of union mergers have produced clear evidence of distinct historical periods of intense merger activity or 'waves'. Buchanan (1974) and Waddington (1988; 1995) in the United

Kingdom, Chaison (1980) in the United States, Griffin & Scarcebrook (1989) in Australia and Visser & Waddington (1996) in The Netherlands, Sweden and the United Kingdom are examples of this research. Taking only the case of Australia as an illustration, Griffin & Scarcebrook (1989) established there had been two distinct periods or waves of large scale merger activity among federal unions this century: 1911-1920 (tailing off in the 1921-1930 decade) and 1941-1950.

Various explanations have been submitted to explain the wave or cyclical nature of union merger patterns. Rapid changes in technology which alter union jurisdictional boundaries has been attributed as one causal factor (Griffin & Scarcebrook, 1989), while Buchanan (1974) cites broader macroeconomic indicators such as wage rates and retail prices as influencing merger activity. The argument here is that as retail prices rise, workers, through their unions, seek wage increases and then as wage rates increase workers are less likely to retain their union membership. This creates pressures on unions to maintain their memberships; merging with other organisations may be one cost-effective solution to falling memberships (cf. Willman, 1989).

Extending the work of Buchanan, Waddington, in a series of influential studies from the late 1980s, provides evidence which brings into question the uniformity of the impact of certain environmental variables on aggregate merger patterns. He concludes: "that the factors influencing merger activity are not constant throughout but are a function of the institutional setting of trade unionism" (Waddington, 1988: 423). In particular, bargaining structures are regarded as pivotal in the explanatory framework, with both centralisation and decentralisation in bargaining leading to increased merger activity but for quite different reasons. Centralisation precipitated mergers through the desire of many relatively small (regional) unions to participate in national bargaining, while growth in the number of bargaining units under a decentralised regime facilitated mergers because of its role in increasing trade union running costs (Waddington, 1992; 1995).

Undy (1996) critiques Waddington by contending his explanation for union merger activity rests principally on external environmental factors rather than internal union reforms. He also questions the existence of merger waves in that the evidence in the United Kingdom at least, suggests “a merger movement which started in the mid-1960s and still shows, some thirty years later, little sign of returning to its original level” (Undy, 1996: 129). In other words, Waddington’s own longitudinal research does not exhibit a classic wave form. However, it is contended that the shape and duration of merger waves can differ; the advantage in using the term ‘wave’ is simply to isolate periods in which merger activity intensified (Waddington, 1997, p. 85).

Aggregate-level studies of union mergers are generally less useful in identifying and explaining total merger attempts. In other words, not all efforts by unions to merge are in fact successful. If anything, the frequency of unsuccessful merger attempts may outnumber the frequency of those mergers actually concluded (Chaison, 1986). Empirical research by Willman (1996) has estimated that about 60 percent of all unions seeking merger eventually conclude one. Thus, there seems to be a distinction between the motivation or propensity to merge and the ability to merge that quantitative analyses of union mergers tend to ignore.

The methodological criticisms aimed at quantitative-based studies become a theoretical problem since mergers are typically the end-result of protracted negotiations spanning many years. This means that attempts to correlate present merger activity with certain external factors which may have precipitated the merger attempt some years before might be problematic (Undy *et al.*, 1996, p. 46). A related problem with macro or aggregate-level studies is that seldom is it made clear how the various environmental factors specifically influence union merger activity. That is, why unions should actually respond to a range of external forces is often not addressed. The aforementioned problems affecting the collection of aggregate merger data suggests caution should be exercised when interpreting the intensity and timing of union merger waves across different studies.

The tradition evident in much union merger research are explanations which refer primarily to internal factors such as changing membership patterns, the role of leaderships and union politics (e.g. Chaison, 1986; Michelson, 1997; Morris, 1986; Undy, 1993; 1996) or to such external factors as economic, political, legislative, social and technological change (Buchanan, 1974; Freeman & Brittain, 1977; Waddington, 1988; 1992). It is far less common to find explanations which systematically aim to integrate both of these important dimensions. Whether or not union mergers are best explained by external or internal factors is, according to some writers, an incomplete account of the merger process. Rather, it is "the interaction between the internal and external factors which influences the decision by the union whether to amalgamate and, if so, the direction in which the amalgamation proceeds" (Hocking, 1990: 81). Spooner (1984), England & Anderson (1978) and Waddington (1997) also concur that a comprehensive understanding of trade union structural development by way of merger requires an understanding of the external environment and those factors which influence the unions' internal decision-making processes. This is regarded as a prerequisite factor in any analytical framework. It is to this framework that we now turn.

The Analytical Framework

In recent years there has been increased debate about the notion of strategy and strategic choice in organisational theory and industrial relations (e.g. Child, 1972; 1984; 1997; Kochan *et al.*, 1986). This thesis engages in these debates in the context of trade union mergers and argues that only by integrating strategic choice and resource dependence theories can a comprehensive explanation for merger activity in trade unions be found. This approach is seen as a necessary corrective to those who have argued that either environment solely determines organisational responses or those who believe that leadership choice can be exercised in isolation from environmental imperatives. Consistent with Child (1997, pp. 61-65) the study refutes the notion of paradigm incommensurability, arguing instead that

theoretical exclusivity restricts the potential for developing theory in trade union studies. The thesis locates this integrated perspective in the arena of recent trade union merger activity in the Australian media and entertainment industries.

The discussion so far has found that most studies of union merger have examined factors either external or internal to unions in developing theoretical explanations of the phenomenon. There have, of course, been exceptions (e.g. Griffin & Giuca, 1986). This overview provides a useful point of departure in which to introduce a new framework which attempts to more closely unite extant explanations of trade union merger based on external and internal factors. This study of the merger of media and entertainment unions in Australia does this by utilising a strategic choice-resource dependence perspective.

The integration of the strategic choice perspective with that of resource dependence recognises that while unions are "inescapably bound up with the conditions of their environment" (Pfeffer & Salancik, 1978: 1) they are able to exercise choice over whether or not they are to grow through internal expansion, merger or to enter into relationships which make it dependent upon others. As Child argues, "while the social nature of an organization's environment will act, under some circumstances, as a constraint upon action, even to the point of determining it, it can also enable action and widen the range of available strategic alternatives" (Child, 1997: 56). This sentiment is supported by others (e.g. Fiorito *et al.*, 1991, p. 104; Undy, 1996, p. 137). That is, union leaders seeking to merge are not passive agents that respond to external factors in a predetermined fashion. It is only through empirical research that these constraints and opportunities can be identified and explained.

Attention will now shift to a discussion of the notion of strategy and strategic choice in a union setting and then proceed to discuss resource dependence

theory. An integration of the latter with the former explains why trade unions make particular strategic decisions, which has been a criticism of strategic choice theory (e.g. Strauss, 1988). Conversely, strategic choice explains how unions as organisations acquire resources and manage dependencies.

The Concept of Strategy and Union Strategic Choice

In a formal sense a strategic choice approach is a process of identifying, selecting and implementing the most effective means of securing long-term compatibility between the internal skills and resources of an organisation and the competitive, economic, political and social environments within which that organisation operates. As Quinn notes,

Strategy is the pattern or plan that integrates an organisation's major goals, policies, and action sequences into a cohesive whole. A well-formulated strategy helps to marshal and allocate an organisation's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents (Quinn, 1993, p. 23).

A discussion of strategic choice in the context of union merger activity immediately raises the question of the definition and role of strategy in trade unions more generally. There are at least two schools of thought which pertain to a conceptualisation of union strategy: the first implies that strategy is a deliberate, planned and rational decision made by union leaderships as representative agents of the union. This view relies on the notion that strategy formation is inherently proactive and typically adopts a long-term perspective (e.g. ACTU, 1987). As such, it is heavily influenced by research from the business management literature. The second view implies that the strategy formation process in unions is a far more incremental and political process, entailing an "unconscious accumulation of decisions about tactics and methods which gradually consolidates into a consistent and regular way of putting programmes and policies into effect" (Gardner, 1989: 53). In other words, union strategy is not determined *a priori* but does become apparent

only through empirical observation of union responses over time. This is because of the political tension between agency and structure within a given context (Child, 1997, p. 44). For proponents of this school, strategy is an evolutionary process whereby union goals and policies are not immediately transparent (see Boxall & Haynes, 1997; Undy *et al.*, 1996, pp. 7-8). This does not mean union strategy is *ad hoc* and reactive because there is an assumption that regularities and continuities in activity can be identified.

A strategic focus is not commonly associated with trade union organisations and therefore the concept of 'strategy' must be approached from a union perspective (e.g. Stratton-Devine & Reshef, 1996). This means that the development of a union strategy must take account of the key external and internal constraints which operate on unions. It is therefore more appropriate to speak of 'constrained strategic choices'. In other words, trade unions do not have unfettered discretion or choice over their strategies. Constraints external to unions include the political climate and in particular government policy, economic conditions, industry structure, and the role of managements. It has been argued that "management is the most important external factor affecting union strategy because it is the most immediate and direct" (Gardner, 1989: 66). However, the range of choices available to unions is also shaped by the internal environment. For instance, because of the political and democratic traditions of trade unions (e.g. periodic election of union officers, the shaping of union activity by the constitution or rule book), union leaderships must maintain membership consent for its actions or risk losing their support (cf. Child *et al.*, 1973; Willman & Cave, 1994). Interpretative processes and values among trade union leaders and members may also differ within and between unions.

The external and internal constraints which operate on trade unions suggest that premeditated, long term and identifiable decision-making may be a less than accurate depiction of how unions formulate strategy. It is argued here that union strategy is more consistent with the second school of thought

which contends that strategy develops in a more evolutionary fashion whereby strategy is the accumulation of a set of decisions made over time, and that unless there are dramatic changes in a union's external and internal arena, strategic change is limited to only minor variations (Gardner, 1989). Notwithstanding certain environmental constraints, the approach explicitly provides for choice to be exercised in union strategy because despite sharing similar circumstances or contexts in many cases, trade unions may be able to pursue quite different options (Mason & Bain, 1991; Undy *et al.*, 1996).

Building on the systems approach of Dunlop, the model developed by Kochan *et al.* (1986) makes the concept of 'strategic choice' a central platform in the study of industrial relations. While the framework, based on Child's theory, argues that the external environment affects institutional structures which, in turn, influences certain outcomes, it contends that these outcomes are not deterministic. There is discretion available in choosing the reaction to external developments; actors are able to exercise agency, of which those made by managements are of particular importance. The model, therefore, elevates the role of management in industrial relations activity and has been adopted as a framework by a number of subsequent studies (e.g. Deery & Purcell, 1989; Swain, 1995). While the strategic choice model aims to explain management behaviours in industrial relations, it does provide for an account of government and trade union activity. The model is premised on an assumption that trade unions can act strategically, although a great deal of activity appears reactive in response to management strategies. However, reactivity is not inconsistent with a strategic choice perspective (Child, 1997, p. 53).

In order to explain union, management or government behaviour the Kochan *et al.* (1986) model operates at three levels: long-term strategy and policy formation, collective bargaining and personnel policy, and the workplace. It requires that a disaggregated approach to analysis be adopted. However, some minor criticisms of the Kochan *et al.* strategic choice model have been

made. Strauss (1988) has argued that it is open to question whether the framework is theoretically robust in contexts other than the United States where the model has found favour. Where there is a more heavily regulated industrial relations environment, as has been the case in Australia, is it still appropriate or possible to use the term 'choice'? Furthermore, the model tends to imply that all objectives and activities are potentially strategic. Lewin (1987) argues that treated in this way the concept of strategy is vacuous. He therefore wonders what is considered by organisations to be a strategic decision. Criticism has also been directed at the Kochan *et al.* framework for failing to make apparent why particular strategic choices are made (Dabscheck, 1989; Strauss, 1988).

Child's (1997) work provides a solid defence of the strategic perspective through making a sophisticated and complex argument about external and internal environments and the role of politics in affecting agency within organisations. In response to the first criticism above it is contended that all trade unions operate under certain external and internal constraints, as discussed. The constraints may shape the nature of the response but they do not determine which alternative is selected. A decision not to react to environmental developments is still a choice nonetheless. In order to address Lewin's point, strategic choice for unions is operationalised as one which has organisational-wide ramifications. Boxall & Haynes (1997, p. 569) concur by noting that strategic choices are those that play a decisive role in the success or failure of the union. Operational or day-to-day decisions may sometimes have long-term organisational consequences but more often they do not. The primary but not exclusive focus is at the level of unions where there is the greatest potential for strategic choices to be generated - the executive or council level. This leads to the following testable proposition:

Hypothesis 1: The execution of union strategic choice involves the use of upper-level, positional power and the allocation of organisational resources to achieve union goals.

The third criticism of strategic choice, which notes the failure to identify the reasons for agency, is addressed in the following section. It is argued that resource dependence theory provides an understanding of the constraints and politics of decision making in trade unions. Thus, trade unions are subject to both exogenous and endogenous factors and make strategic decisions within these bounds.

Resource Dependence Theory

Trade unions, like all organisations (see Child *et al.*, 1973), are not completely self-directed and independent because they need resources such as money, materials, personnel and information and in order to obtain these, as a condition of survival, they must interact with others who control the resources (Scott, 1992). The capacity of unions to achieve their industrial and political aims will depend in part on the resources they have available (Davis, 1996, p. 5). The interdependence with other organisations and constituencies lies in the availability of resources and demand for them and may take a wide variety of forms. This was first recognised by Pfeffer and Salancik (1978) in their resource dependence theory on the external control of organisations which Fells (1989, p. 487) believes can be usefully adopted to explain union merger activity. For trade unions there is direct dependence upon its members for union subscription income and there is the indirect dependence upon each other of two or more trade unions, not in mutual contact, through a set of potential members for whom they may compete. Inter-union competition can influence the size of membership which may either inhibit or enhance a union's potential for survival and growth (Warner, 1972).

Resource dependence theory argues that in order for an organisation to survive, it must acquire resources (Pfeffer & Salancik, 1978). The organisation, therefore, depends on external organisations and stakeholders for resources. In this regard, strategic choice helps explain which resources unions as organisations attempt to acquire and why, and how they acquire them. The

model posits that unions are capable of adapting to and changing their environments. There are three conditions which define how dependent an organisation is upon external resources. Firstly, there is the importance of a particular resource to the organisation. For trade unions, the most important resource is their membership for it accounts for most, if not all, of their revenue (a derived resource) and without members it would cease to exist.

Secondly, there is the issue of the degree of discretion that those who control a resource have over its allocation and use. For trade unions in Australia, the post-Second World War period until the late 1980s represented an era of guaranteed membership income in many industries because closed shop and union shop arrangements made union membership and payment of union subscriptions an employment requirement. With the increased variation of closed and union shop arrangements between industry sectors (Zappala, 1992), employees in many industries could exercise choice over whether to join a trade union (Chaison, 1996). This gives employees almost complete discretion over whether they should allocate any of their income to trade union subscriptions. This puts trade unions in a highly dependent position vis-a-vis its current and potential membership. Thus, changes which adversely affect the degree of resource munificence are likely to result in more dependence by the organisation (Aldrich, 1979). Trade unions are also indirectly dependent upon employers for recognition rights, which if granted are likely to increase union membership, and also, for the level of subscription income because this is often a fixed percentage of annual wage income, over which employers clearly have considerable influence. Trade union subscription income can therefore change as a result of changes to recognition status, changes in employee income, and fluctuations in the nature and quantity of industry employment. There is, therefore, an important indirect dependency of trade unions upon employers (see Willman, 1989).

A third condition which defines how dependent an organisation is upon external resources is how far those who control a resource have a monopoly

over it. In other words, to what extent could a trade union find an alternative source or a substitute for membership subscription income? While some trade unions derive income from rent on property or have sold education and training courses, this represents a very small addition to total income and is not viewed as a viable alternative source of revenue. At a national level, however, there has been a slight increase in income from investment sources in recent years for Australian trade unions (Griffin & de Rozairo, 1993).

This dependency affects unions in two main ways and are outlined in the following propositions:

Hypothesis 2: Unions will respond more to the demands of those organisations and constituencies in the environment that control critical resources.

For trade unions these demands are primarily current and potential members and also, but to a lesser extent, other trade unions, employers and governments (see Lawler, 1982).

Hypothesis 3: Unions will attempt to manage these external dependencies both to guarantee the survival of the organisation and to secure, if possible, more independence and freedom from external constraints (see Pfeffer, 1982, p. 192).

The resource dependence perspective also applies inside the organisation, with the resources provided by certain organisational members being more important than the resources provided by other members. Thus:

Hypothesis 4: The internal control over resources gives some organisational members more power over the union than other members.

Consequently, the resource dependence approach applies at two levels of analysis. The extra-organisational level focuses on the external dependence and the intra-organisational level on the internal dependence thereby

providing a multi-level analysis. This mirrors the notions of external and internal constraints, respectively, in strategic choice theory. Since the heart of resource dependence theory is a political analysis of organisations and the interaction between multi-level organisations, this approach is particularly well-suited to the study of trade unions which are highly political in nature (Stratton-Devine & Reshef, 1996; Strauss, 1993).

Because the organisations, groups and constituencies on whom unions rely may not be dependable, their performance and overall effectiveness is determined by how well they balance these external and internal dependencies. It is in the balancing of these dependencies that union officers can exercise choice or agency over the strategies they adopt. According to Pfeffer & Salancik (1978) organisations can select one of four strategic choices, or a combination of the four, to balance its dependencies. Firstly, an organisation may adapt to or alter constraints. Secondly, it may alter interdependencies by merger, diversification or growth. Union mergers, for instance, are more likely in environments where resources are scarce (Stratton, 1988). This choice assumes, along with others (e.g. Willman & Cave, 1994), that a change in structure is a form of strategy. This is also consistent with Chandler's seminal argument that structure emanates from strategy. Thirdly, it may negotiate its environment by seeking joint ventures with other organisations. Fourthly, it may attempt by political action to change the legality of its environment. While some studies have adopted a strategic choice (e.g. Stratton-Devine, 1989) or resource dependence (e.g. Hocking, 1990) perspective to explain the trade union merger process, there are no known studies that integrate both theories.

The thesis argues that an integration of strategic choice and resource dependence perspectives helps explain trade union merger behaviour. In particular, the theoretical synthesis allows for greater understanding of why strategic decisions are made and how organisational dependencies are managed. It will also allow an evaluation of the espoused merger benefits to

be made. The new framework is tested in the context of union merger activity within the Australian media and entertainment sectors. As such, the framework is premised on the assumption that trade unions are subject to external and internal constraints, the management of which involves the exercise of agency within an organisational political arena.

An Overview of the Study

The thesis is structured as follows. Starting from a macro perspective, Chapter Two provides a background into the debates which gave rise to widespread trade union restructuring in Australia from the late 1980s. It outlines the reasons for the small size and craft or occupational nature of many of Australia's unions which, in turn, contributed to a situation of multi-unionism in the workplace. It then traces the historical debate which outlined the so-called problems of multi-unionism and shows how the Australian Council of Trade Unions (ACTU), from 1987, was instrumental in setting the agenda for union structural reform. The policy shift towards the creation of large, industry-based trade unions was supported by the then federal Labor government through legislative change and financial incentives. The chapter discusses this development and places the legislative changes designed to encourage union merger activity in their wider context. It further adopts the position that 1987 signals the point at which an unprecedented coalescing of the industrial and political wings of the labour movement to facilitate union restructuring occurred. Consequently, the operating environment and hence access to critical resources by trade unions, became more uncertain. The chapter concludes by providing data which demonstrates how merger activity has transformed the trade union landscape from the late 1980s, in the process leading to a substantial reduction in the number of registered unions.

In Chapter Three the focus shifts towards the media and entertainment industries, the industry sectors with which the study is concerned. The nature of work in these industries is documented with the conclusion that entertainment work is characterised by individualism, short term and intermittent employment

and high levels of job insecurity for many. The supply of membership resources to unions in these sectors are therefore highly vulnerable to industry fluctuations. Not all performers, however, experience these conditions but it is argued that they are typical for the large majority of performers. The discussion also shows how technological change has been a common feature of employment in both the newspaper and entertainment industries. The rest of the chapter is devoted to providing an overview of the main unions examined in the thesis. In particular, it presents data about the unions' structures, memberships, principal methods and other salient information about their operations. An attempt is made to show how the unions' characteristics are related to the employment and industry characteristics.

The empirical evidence for the study, which is organised around key merger themes, begins in Chapter Four. By this stage the thesis has clearly lowered its centre of gravity to a micro perspective. The first step in the process involves an examination of trade union merger motives. Taking each union in turn, the chapter shows firstly, that there has been a range of motives precipitating efforts to restructure media and entertainment unions and that these have been driven largely by external forces. These include: the role of the peak union body (ACTU), legislative pressures, and industry restructuring. Declining memberships and a deterioration in a union's financial position (in some cases independent of membership trends) have also influenced the propensity to merge. Secondly, the chapter demonstrates how the motivation to combine their unions stemmed from the leadership (an internal factor) rather than the membership of the respective organisations. For example, a desire by leading union officers for increased organisational resources to ostensibly provide more services was a motive internal to unions. This finding begins to build the argument that theories of trade union merger must incorporate a role for social agency and, in particular, the role played by full-time trade union officers. Together, these two features show how the motivation to merge must involve an examination of both external and internal factors.

Continuing the thematic approach, Chapter Five discusses the process by which the various unions selected other organisations with which to pursue a merger. The selection of partners was influenced by a broad range of factors including: seeking protection in a larger union for small organisations, ideological considerations, a determination to retain union identity and, consistent with the ACTU's restructuring plan, a desire to form an industry-based union. Ultimately, however, the selection of merger partners was inextricably related to the need to acquire needed resources. The chapter shows how there were a number of merger contenders for the media and entertainment unions and that the final selection of partners were not always those most preferred. This last point suggests that the selection process is not uni-directional; unions contemplating merger had to mutually choose one another before detailed negotiations about how to combine their organisations could proceed. This provides support for the political view of trade union merger behaviour.

Having selected other organisations as potential merger candidates, the unions then entered into discussions designed to bring about a merger agreement. Inter-union merger negotiations are the subject of Chapter Six. It contends firstly, that the negotiations were shaped by the general legislative framework governing union merger activity in Australia. While this framework prescribed certain behaviours at various stages during the negotiations, it did not constrain how the unions actually negotiated through the main issues surrounding merger. Secondly, the chapter reveals how union merger negotiations are highly political events and that, particularly with amalgamations, individual unions seek to ensure a relative advantage over such matters as the allocation of positions, the shape of governance structures and the naming of the new union. Negotiations are far less problematic where the merger involves an absorption of a small union by a larger union. Thirdly, it demonstrates that a union's leading full-time officers are primary agents in the negotiations and that they can either facilitate or inhibit a successful conclusion to such discussions. Such officers may offer inducements to other unions to merge with their organisation, or they may be opposed to certain aspects about the proposed merger.

The issue of merger opposition is treated in Chapter Seven. Here, two overt cases of internal union opposition to merger are drawn from the study and analysed in some detail. However, there was a key difference between these cases: while the respective groups were both against their proposed mergers, one was unsuccessful (that is, the membership still voted in favour of the merger) while the other was not (that is, the membership voted against merger in the ballot). A comparison of the two cases is made to explain why internal opposition to merger is likely to either succeed or fail. The chapter concludes that factors such as the prevailing legislative environment, the extent of support for merger by the union's leadership, the level of resources devoted to the merger campaign among the rank-and-file membership and the history of relations between those unions proposing to combine are all influential factors in determining the outcome of merger campaigns. The chapter also notes that while a union's leading full-time officers are key players in the merger process, the membership cannot be ignored. While the role of rank-and-file members is limited during the early and middle stages of the process, they are influential in the latter stage where the proposed merger is subject to a union-wide ballot of financial members. That is, in most cases a merger will not be concluded if the memberships of all unions concerned do not vote to support it. This suggests that where environmental factors do not pose a direct and immediate threat to organisational survival, merger is unlikely to occur.

Chapter Eight addresses the final theme examined in the thesis - the post-merger environment. It revisits the arguments about the benefits of merger and industry unions presented in Chapter Two and provides a critical analysis of these arguments with respect to the newly-formed Media, Entertainment and Arts Alliance (MEAA). In this context it discusses the MEAA's recruitment and on-going merger strategies, union services, demarcation problems, administrative practices and the rationalisation of positions. The chapter also reveals how trade union mergers are related to one other union structural event - breakaways. The newly-merged union was immediately affected by the secession of groups (and

loss of resources) within NSW and Queensland, a situation provided for by the country's institutional structures. The chapter concludes with a pessimistic evaluation of the MEAA's membership and financial situation over its first four years. This situation is inextricably linked with earlier steps in the merger process.

Chapter Nine summarises the argument and presents some general conclusions. To assist the reader throughout in what is a detailed and complex analysis of the trade union merger process (for example, parallel sets of negotiations and the thematic organisation of material), a brief chronology of the key events is provided. This has been included as Appendix Four.

CHAPTER 2: THE CONTEXT OF TRADE UNION RESTRUCTURING IN AUSTRALIA

Introduction

From the late 1980s the number of registered trade unions in Australia declined dramatically. In 1987 there were 316 unions; by 1996 the figure had fallen to 132 unions - a drop of nearly 60 percent. In large measure, the reduction of more than half of Australia's unions in less than a decade was spurred by the formal consolidation of trade unions through mergers. During this period, very few unions were left untouched by merger activity. For instance, a one-time leading trade union officer has previously noted that most unions in Australia have merged or were in the process of merging and re-adjusting their structures (Easson, 1992). Indeed, this observation appears to be justified; between 1987 and 1994, a total of 80 mergers occurred (Chaison, 1996, p. 121). Although this figure is high by Australian standards, this number is likely to understate the extent of total merger activity as research has revealed that not all efforts to merge have been successful (Australian Electoral Commission, 1993; Michelson, 1997).

Many would contend that the principal external trigger for the transformation of the union landscape was the actions of the peak union body - the Australian Council of Trade Unions (ACTU). In 1987 the ACTU embarked on a campaign to bring about substantial change to the structure of the labour movement. Set against a backdrop of corporatist arrangements, declining union membership, and pressures to adopt a more decentralised wage fixing system, *Australia Reconstructed* (ACTU/TDC, 1987) and *Future Strategies for the Trade Union Movement* (ACTU, 1987) were the two principal policy documents which underpinned the desired structural and organisational changes needed if unions were to remain a relevant and effective force in the workplace and in society more generally. A central thrust of these documents was that unions needed to restructure their organisations from what was then a largely occupational or craft basis to an industry form. This process was clearly aimed at increasing trade union size and, at the same time, reducing the number of registered trade unions. A change from an occupational or craft to

an industry union structure also implied that an allied programme of rationalisation of coverage, was required. This programme was necessary to deal with the potential demarcation and jurisdictional problems that would inevitably accompany the changes (Gahan, 1993).

The external forces that have precipitated widespread change in trade union structures vis-à-vis merger activity have not been limited to the role played by the ACTU. Federal governments enacted a series of successive legislative measures which have eased considerably the statutory regulations for unions seeking to combine. Further, through their various agencies such as the Commonwealth Department of Industrial Relations, the then federal Labor government provided financial assistance for the costs associated with union mergers. Support for union structural reform has also periodically come from various Committees of Inquiries, some employer groups, academics, and prominent union officers. From 1987 the collective opinion in favour of union restructuring and rationalisation began to coalesce and gather considerable momentum. Undoubtedly, the pressure on individual trade unions to merge has been substantial from this point (see Dabscheck, 1995; Ellem, 1991a; Fox *et al.*, 1995; Griffin, 1992).

The structure of this chapter is as follows. First, it will discuss the traditional characteristics of the Australian union movement and, in this context, identify the principal arguments in the debate for trade union structural reform. Attention will then shift to the role of the ACTU and the federal government, respectively, in union restructuring efforts. The second section will include, for example, an analysis of the *Australia Reconstructed* and *Future Strategies* documents and the subsequent modifications made by the ACTU to their prescribed industry union groupings. In the third section, which explores the supporting role of the federal government, the various legislative changes enacted to facilitate union restructuring are documented. In order to evaluate the legislative amendments of the late 1980s, these are discussed in their historical context. The aforementioned factors have indeed encouraged and enabled widespread union restructuring by altering the environment and, hence, institutional resources available to trade union organisations. The unprecedented number of successfully-concluded union mergers is demonstrated by the fourth section of the chapter. Here, data is presented

which outlines how dramatic, in an historical sense, the reduction in the number of unions and the pace of union mergers has been since 1987. These findings help to locate the present study in the context in which it took place. The final section draws together the main points and themes addressed in the chapter.

Australian Unions and the Multi-Unionism Debate

Inherited from the British tradition of trade unionism, the Australian labour movement has traditionally been dominated by a large number of small craft or occupational unions (Evatt Foundation, 1995; Griffin, 1992; Rimmer, 1981). Equally, there has been only been a small number of relatively large unions (Blandy *et al.*, 1989). It is this dual feature of small, craft-based unions that has been the strongest criticism recently directed at the organisation of Australia's unions (Kollmorgen & Naughton, 1991). Perhaps the reason for this is because craft or occupational unions tends to promote multi-unionism (Rimmer, 1981). This is the situation where a number of different trade unions represent workers in the same enterprise. The number of unions can vary but one well-publicised example, which helped to fuel the debate of multiple-union representation, was the situation at the Kurnell oil refinery in Sydney where, in the early 1980s, there were 31 unions operating on site (Brooks, 1981, p. 34).

It has been argued that the reasons for the multi-union structure rest primarily on historical factors. Early unionism developed on a piecemeal basis where different organisations were formed around a single trade or skill. This occupational or craft structure was facilitated by the small size of the workforce and the lack of infrastructure - the latter erecting barriers to inter-colonial travel (Ryan, 1987). By offering institutional protections to registered organisations, the *Conciliation and Arbitration Act 1904* further encouraged the formation and subsequent protection of small unions thereby ensuring their continued survival (Berry, 1992; Deery & Plowman, 1991). The doctrine of comparative wage justice which provided flow-ons of increases in wages and conditions through the industrial tribunals, helped to ensure the existence of these organisations (Dufty & Fells, 1989; Isaac & Ford, 1971). Thus, the arbitration system is attributed with having played a leading role in promoting multi-union structures.

Federalism has been a further factor that has contributed to multi-unionism. The existence of separate industrial tribunals in the various states, outside of the federal jurisdiction, has tended to reinforce the narrow geographical orientation of many small unions (Blain, 1985; Gill & Griffin, 1981). Together, these explanations for multi-unionism have meant that by international standards at least, trade union structures in Australia have tended towards a high degree of stability. Consequently, there has only been a slight increase in the concentration of members among the major unions (Deery & Plowman, 1991). The level of stability stands in contrast to the United Kingdom and the United States. In both of these cases, the proportion of members in the largest unions has been steadily increasing (Chaison, 1986; Waddington, 1988).

While Rimmer (1981) acknowledges the role played by the arbitration system in ensuring the survival of unions, he does not, however, regard it as having generally prevented structural change among unions. Empirical evidence supports this claim by showing that despite the introduction of conciliation and arbitration in 1904, a number of mergers among federal trade unions have occurred through this century (see Griffin & Scarcebrook, 1989).

The Griffin & Scarcebrook study is important because it not only points to the frequency of union merger activity in Australia, but reveals that of those mergers that have taken place, the majority have involved unions representing unskilled or semi-skilled workers. There were relatively few mergers involving craft unions (Griffin & Scarcebrook, 1989, p. 260). This finding confirms the resilience or robustness of the craft or occupational form of union organisation and has previously led some commentators to describe union structures as a 'hardy perennial' (Ryan, 1987) or as resembling a 'crazy-quilt pattern' (Brooks, 1981).

The first comprehensive study of Australian enterprises - the Australian Workplace Industrial Relations Survey (AWIRS) - conducted between 1989 and 1990 found that multi-unionism was indeed common. The survey revealed that two-thirds of all unionised workplaces had multiple-union representation, and that within these workplaces there was little evidence of joint trade union organisation (Callus *et al.*, 1991, p. 119). This finding

supports Griffin (1992) who argued that while there were well developed inter-union structures at the national and state levels, this was not the case at the workplace level. Further, AWIRS demonstrated that the issue of multi-unionism was more problematic in the public sector. Due to their relatively large size, enterprises in the public sector tended to be more likely than those in the private sector to have multiple-union representation (Callus *et al.*, 1991, p. 50). One secondary analysis of the AWIRS data has noted that there were generally fewer unions per workplace than that suggested by the rhetoric (Ellem, 1991b). Specifically, the point was made that:

Even where there were several unions at the workplace only 18 per cent of managers thought that it created difficulties. The worst possible construction was that 33 per cent of managers in the largest workplaces thought that multi-unionism was a problem (Ellem, 1991b: 537).

Notwithstanding Ellem's observation, proponents of union restructuring have generally agreed that industry-based unions could overcome the 'problems' of multi-unionism, itself a function of craft or occupational union structures. These include: helping to reduce demarcation and jurisdictional disputes, removing unnecessary duplication of services, increasing union bargaining power, improving employer and employee communications, and more effectively utilising union resources (Brooks, 1981; Evatt Foundation, 1995; Gill, 1979; McMahon, 1984). Related to this, small union size, which has been a derivative of a craft form of organisation, was regarded as a handicap in terms of unions' resources not being able to provide sufficient membership services. Whether or not the stated benefits would in fact result is questionable, as little empirical evidence has been provided by many of those who have advocated industry unions.

Cameron (1982), for example, believes that bigger (industry) trade unions does not necessarily equate with better trade unions. However, it is unclear what Cameron actually meant by the use of the term 'better'. Assuming in part that he was referring to the ostensible benefits that will accrue to unions by virtue of size through economies of scale, this relationship is not unequivocal. As noted elsewhere, union administration costs may be influenced by a range of size-independent factors including the frequency of union meetings, membership dispersion and type of bargaining structures

(see Black *et al.*, 1997; Griffin & de Rozairo, 1993). Cameron considers that sectional arrangements which retain the interests of the pre-merging unions are appropriate structural forms for merged unions (Cameron, 1982, p. 79). In a study of multi-unionism in the British fire service, however, it was shown that the more autonomous the separate parts of a unified union are, the less likely the union will be to avoid the disadvantages of multi-unionism (Swabe & Price, 1983). In other words, it is unclear how improvements will occur under these circumstances if the structures of the pre-merging unions have not been substantially modified. A further counterargument to the purported benefits of industry unionism is that it may limit the choice of representation available to workers. With multi-unionism at least, there may be theoretically more scope for workers to select unions that will effectively represent them.

Regarding this last point, Gill has defined an industry union as “one whose membership is entirely comprised of persons employed within one industry *and in which eligibility or membership is not limited by any other qualification*” (Gill, 1979: 185). The italicised component suggests that it is possible to have a union operating in one industry but yet be a craft union such as the Australian Nursing Federation. The definition further establishes that there may be more than one union per industry.

On numerous occasions, various Committees of Inquiries have explored the issue of multi-unionism and industry unions. These have included the Jackson, Myers and Hancock Reports, so-named after their respective chairpersons. The core features of these reports as they pertain to union structures are briefly examined below.

The Jackson Report

Published in 1975, the Committee on Policies for the Development of Manufacturing Industry (the Jackson Report) was one of the first cases of recent industry involvement in the union restructuring debate. The Committee expressed criticism of the then craft or occupational union structure in the manufacturing sector. The fragmented structure, it was argued, resulted in unions being “unaware of, or insensitive to, the impact of their actions on industries and firms” (p. 111). The Jackson Report argued for

a consolidated or rationalised trade union structure using such arguments as it would provide for a more efficient use of union resources, that it would strengthen union industrial and political power, and that demarcation and jurisdictional disputes could be reduced, to support its case. It is most surprising to note that the Committee, which mainly comprised industry representatives, was prepared to accept what it saw as increased union power as a corollary of union restructuring.

The Myers Report

Emerging from the context of possible inter-union disputation arising out of technological change, the second major industry report repeated the case for a reduction in the number of unions. Despite differences between the West German and Australian institutional models, the Committee of Inquiry into Technological Change (the Myers Report) believed, in 1980, that the ostensible benefits of having one union in the enterprise in the former country could apply to Australia. The Committee were of the view that unions should be industry-based and considered that the "activity employing the largest number of employees in an enterprise should be the main criterion for determining which industry union would be appropriate for all members of the enterprise" (p. 142). The by now familiar arguments associated with the 'problems' of multi-unionism were reiterated in the Myers Report. These included the potential for demarcation disputes, the complications over employee communications with managements, and the restrictions placed on the movement of employees to different jobs within the industry. The underlying assumption of these factors was that multiple union representation was deleterious to the welfare of industry.

To support its view, the Myers Report (1980) recommended that the *Commonwealth and Arbitration Act 1904* be amended so that the balloting provisions governing union mergers were eased. For example, the report authors sought a requirement that only financial members were entitled to vote in a merger ballot. To assist in reducing the number of very small unions, the report authors sought to amend the legislation whereby federal organisations needed 2,000 or more members to remain registered.

The Committee also argued that public assistance was required to aid the union restructuring process in a manner consistent with industrial unionism, and to this end recommended that a Union Amalgamation Assistance Unit within the Department of Industrial Relations be set up (Myers Report, 1980, p. 174). Such assistance could be used for a variety of purposes including the planning of mergers, legal advice, mediation services between and within unions, the employment of temporary ancillary staff, and funds to assist membership discussions of merger schemes (Gill & Griffin, 1981).

Despite the collective weight of the Jackson and Myers Reports in favour of trade union restructuring, by the early 1980s there was little evidence to suggest that Australian unions themselves sought to reorganise along industry lines (see Deery, 1983, p. 201).

The Hancock Report

Regarding the issue of union organisation, the Committee of Review into Australian Industrial Law and Systems (the Hancock Report) published in April 1985, reiterated the general recommendations of the earlier Jackson (1975) and Myers (1980) Reports which called for legislation to encourage union mergers (Lansbury & Davis, 1985). Submissions to the Committee made the well-known criticisms of multi-unionism: demarcation disputes resulted from competition between unions for members; established union-management relationships were disrupted; unnecessary duplication in services and resources resulted; a lack of cohesion between unions could prolong and make the resolution of disputes more difficult; instability was promoted in the workplace; and managements were required to deal with too many unions (pp. 457-458).

In its submission to the Committee the ACTU supported statutory changes which eased the conditions facing unions which proposed to merge, but were opposed to any requirement which meant these should necessarily be along industry lines (Brooks, 1992). However, its position was soon to change. Only two years after the Hancock Report was published, the ACTU had altered its view with the desired model of union restructuring now firmly embedded in the formation of industry unions (see ACTU, 1987). The peak union body was

also supportive of the Report's recommendation that unions were required to have at least 1,000 members (which currently stood at 100) to qualify for registration in the federal industrial system (Crean, 1985). However, as most small-sized unions tend to hold state rather than federal registration (Crean & Rimmer, 1990; Dabscheck, 1985), this proposition suggests that many of Australia's small unions would be unaffected by the Committee's recommendations. Moreover, under the Hancock prescription it was conceivable for federally-deregistered unions (that is, those with less than 1,000 members) to become state-registered organisations which, if they had members in a number of states, could result in an increase rather than a decrease in the total number of small unions (Dabscheck, 1985, p. 528).

The Committee of Review into Australian Industrial Law and Systems concluded that there were too many unions. However, the recommendation of the report authors was that unions should get bigger but that these did not necessarily need to be industry unions:

While tendencies towards a trade union structure based on more industry lines should be encouraged, we see practical problems (including the difficulty of defining an industry) and recognise the likelihood of union resistance. The prospects for such restructuring are long-term. It requires changing attitudes within the trade union movement and changes in industry rather than prescriptive measures (p. 506).

With this in mind, the Hancock Report urged that the current legislation be amended to preclude, *in future* (emphasis added), the registration of trade unions based on a craft or occupation structure unless there were special circumstances justifying their continuation. In order to ensure that union mergers would not be made invalid by a low voter turnout, the Committee recommended that no such prescribed minimum be required in a membership ballot. Finally, though never implemented, the Hancock Report proposed that a redundancy scheme for union officers displaced by restructuring efforts be established.

Since 1975 at least, there has been considerable interest from sections of the industrial relations community to the reform of trade union structures. This interest has been evident through a number of Committees of Inquiries. In addition to these efforts to influence policy, the ACTU has actively engaged in

and shaped the debates, particularly from the late 1980s. It is to the role of the ACTU that we now turn.

The ACTU and Trade Union Structures

The desire to restructure the labour movement has been a longstanding goal of the ACTU. Among its first objectives, the newly-formed ACTU in 1927 articulated a policy of industrial unionism (Crean & Rimmer, 1990; Deery, 1983). At this time, the ACTU sought the consolidation of trade unions with a view to the establishment of one union in each industry (see Fox *et al.*, 1995, p. 182). However, the ACTU did little to bring about its objective of industrial unionism until the late 1980s (Dabscheck, 1995). Hitherto, the stated policy of forming industry unions was not realised, suggesting the ACTU's weakness in manipulating union jurisdictions (Rimmer, 1981). In addition, the slow pace of structural change until this time reflected the desire by individual unions to preserve their tradition of craft and organisational independence (Dabscheck & Niland, 1981; Rimmer, 1981; Yates & Ewer, 1997).

While some mergers had taken place between unions prior to 1980 (see Griffin & Scarcebrook, 1989), developments aimed at consolidating union structures at a peak body level occurred from the late 1970s. It has previously been argued that moves towards larger business firms results in a corresponding move by unions towards increased size (Mills, 1971). This proposition appears to have support. The formation of the Confederation of Australian Industry in 1977 was one of the factors which created the impetus to merge the peak union bodies - the Australian Council of Salaried and Professional Associations and the Council of Australian Government Employee Organisations - with the ACTU in 1979 and 1981, respectively (Brooks, 1981; Griffin & Giuca, 1986). These mergers at the peak union level were also important inasmuch as they gave considerable momentum to the reform of individual trade union structures (Cupper & Hearn, 1980; Martin, 1980).

According to some observers, the debate about the structure and future of trade unions in Australia has taken on greater significance in view of broader economic debates and a recognition that their role in society had declined (Dabscheck, 1990; Mitchell, 1996). In 1976 the proportion of the workforce

who were members of a trade union was 51 percent; by 1986 the figure had declined to 46 percent, with indications that this downward trend would continue (Australian Bureau of Statistics, Cat. no. 6325.0).¹ Lambert (1991) has described the decline in union density as presenting unions with a 'legitimacy crisis'. Patmore (1992) believes the recent decline in unionisation can be explained by factors such as the structural changes in the composition of the labour force, the growth of part-time labour, the shift from manufacturing to services, and the decline in corporatist relationships.

Given this situation, the ACTU has listed among its priorities since 1987 the strong desire to transform union structures. Part of the vision of union restructuring conceived of unions as servicing organisations able to provide a range of services that would act to both retain existing members and help recruit new ones (cf. Heery & Kelly, 1994). It was out of this background that the ideas contained in *Australia Reconstructed* and *Future Strategies for the Trade Union Movement* emerged.

Some scholars essentially see *Australia Reconstructed* and *Future Strategies* as the means of providing protection to the organisational base of trade unions (Gardner, 1988; Keenoy & Kelly, 1996). Some disagreement exists over which of the two ACTU policy documents was of greater significance. *Australia Reconstructed* was seen as more important by some because it established the overall process for industry, and, hence, union restructuring (e.g. Griffin, 1994; Yates, 1996). For others, *Future Strategies* was regarded as the key policy document because it made explicit the operational details necessary to reshape the union landscape (e.g. Ellem, 1991a). The following will briefly discuss each of these documents in turn.

¹ It is generally agreed among commentators (e.g. Deery & Plowman, 1991; Hancock & Rawson, 1993; Patmore, 1992; Pocock, 1995) that the ABS figures generated by employee surveys (Cat. 6325.0) have been a more reliable indicator of trade union density than the statistics provided by unions themselves (Cat. 6323.0). For its part, the ACTU relies on the former series.

Australia Reconstructed

The Australian Council of Trade Unions and the Trade Development Council joint mission to Western Europe between 22 August and 20 September 1986 culminated in *Australia Reconstructed*. The principal focus of this report "was an integrated package of policies designed to improve national economic performance" (Stilwell, 1997: 42). Although primarily intended as an instrument of trade, industry and economic policy, there was material which dealt with the internal organisation of trade unions. This association suggests that the wider pressures of globalisation were partly responsible for driving the union restructuring agenda (see Lambert, 1991, p. 2).

Chapter 6 of *Australia Reconstructed* was entitled 'strategic unionism' - a concept which the report believed encapsulated the following characteristics, among others: a focus which was broader than wages and conditions; centrally co-ordinated goals and strategies; participation in tripartite bodies; a commitment to wealth creation in addition to equitable distribution; strong workplace organisation; and the provision of extensive education and research services (ACTU/TDC, 1987, p. 169). Having observed the operation and structures of unions in West Germany, Austria and Sweden, the delegation clearly believed that strategic unionism was not effective without both an increase in central co-ordination and a reduction in the number of unions (ACTU/TDC, 1987). In other words, a precondition for strategic unionism was the reform of union structures (Crean & Rimmer, 1990). Further, it was clear that the ACTU held the view that it would need to play a substantial and proactive role in the process by which union restructuring would take place. It has since been argued that this has turned out to be the case. The ACTU was instrumental in the merger 'wave' of the late 1980s and early 1990s (Chaison, 1996; Griffin, 1994).

There were only two recommendations in the report which related to union restructuring. These were:

Recommendation 6.3: The Government should remove all the legislative impediments to the merger of unions. In particular, merger should require only a simple majority decision of those who vote in each of the unions involved. The right to object should be removed where the intent of the

proposed merger is not to alter the 'on-the-ground' situation. The process of merger, however, should be active and go beyond simply removing legislative impediments. A timetable should be set which gives small unions, in ascending sizes, time to merge with other unions.

Recommendation 6.4: The Australian trade union movement should plan to have no more than twenty union organisations within two 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 merger as rapidly as possible...The ACTU should also initiate rationalisation of industry coverage between unions, where a clear advantage exists for this to be done.

Whether or not many of the wider proposals contained in *Australia Reconstructed* could in fact be usefully applied to Australia is debateable. The transfer of Western European ideas, institutions and attitudes assumed that reform in Australia could follow the same course, thereby overlooking any potential role played by history and any inertial forces that may make this transfer problematic (Castles, 1988). Although noted prior to *Australia Reconstructed*, others had also cautioned, for reasons similar to those given by Castles, about comparisons with overseas experiences of industrial unionism being drawn as a model for Australia (see Gill, 1979). Thus, a core assumption of the report has drawn criticism.

The ACTU/TDC report has also been criticised on the basis of its recommendations concerning union restructuring. With the benefit of hindsight it appears that there has been little, if any, relationship between the broad economic agenda of *Australia Reconstructed* and the trade union merger process. That is, union merger activity seems to have occurred quite independently of the application of the report's economic policies (Rafferty, 1997; Stilwell, 1997).

Future Strategies for the Trade Union Movement

Produced shortly after *Australia Reconstructed* was the specific blueprint or framework to transform trade union structures. To achieve this objective (and consistent with recommendation 6.4 of *Australia Reconstructed*), a number of industries were identified into which existing unions would fit. The

operationalisation of the industry boundaries were determined not by utilising Australian Bureau of Statistics classifications; rather, the industries reflected existing major union concentrations (Plowman, 1992, p. 274). The industrial groupings established by *Future Strategies* are replicated below:

1. Textile, Clothing, Footwear.
2. Shipping and Stevedoring.
3. Rail and Tramway.
4. Road Transport.
5. Food and Transport.
6. Airline Industry.
7. Australian Public Service Federation
8. Education.
9. Post and Telecommunications.
10. Printing and Publishing.
11. Local Government and Services.
12. Large Union Merger (e.g. AWU, FLAIEU, FMWU).
13. Australian Government.
14. Building, Construction and Timber Products.
15. Retail and Clerical.
16. Banking and Insurance.
17. Health Industry.
18. Metal Industry.

Future Strategies was accepted by the 1987 ACTU Congress with essentially no dissent among delegates (Davis, 1988; Easson, 1992). Perhaps this reaction was due to both the dominance of the ACTU over its affiliates (Griffin, 1994) and the associated demands of national-level bargaining (Gardner & Palmer, 1992, p. 35). This is not to suggest that there was no criticism of the ACTU's policy. Some of the large craft and occupational unions opposed the strategy because their future appeared limited. Such unions have included the Electrical Trades' and Federated Clerks' Unions (Davis, 1990; Ellem, 1991a; Tanner, 1989). The last writer in this list was secretary of the Victorian branch of the Federated Clerks' Union and believed that the interests of the occupational majority would inevitably prevail in industry-based unions (Tanner, 1989, p. 4). However, others, such as the Building Workers'

Industrial Union, strongly advocated union reform (Berry, 1992; Davis, 1992; Mitchell, 1996) and actively encouraged other affiliates to support the ACTU's plan.

There was also criticism of the ACTU industry-union blueprint from elements within the Labor Council of NSW (Costa, 1992; Costa & Duffy, 1991; Costa & Hearn, 1997), and academics more generally (Ellem, 1991a). The former group believed that the creation of industry groupings assumed that "trade union relevance is linked to one particular form of trade union structure" (Costa & Duffy, 1991: 118). Rather than pursuing a policy of restructuring to deal with developments confronting trade unions, these authors proposed the widespread adoption of marketing concepts by unions. This, it was contended, would entail the delivery of differentiated services to target groups within unions. If this prescription was followed, unions would then be better placed to deal with the related questions of relevance and survival (Costa, 1992). Arguably, the intellectual challenge from within the labour movement to the ACTU's restructuring plan came too late for, by 1991, union merger activity was at its most intense (see Chaison, 1996, p. 121). Ellem (1991a) has critiqued both the Costa & Duffy and the ACTU schemes. He has cogently argued that an historical and theoretical analysis was absent in both prescriptions.

While it may appear that *Future Strategies* was a proactive attempt to transform union structures, Keenoy & Kelly (1996) contend that the ACTU's merger programme has essentially been a defensive strategy. The strategy has been driven by the need to re-align the union movement in the context of widespread and considerable pressure to decentralise the industrial relations system. Others concur with this and have recently likened the merger behaviour of the Australian union movement from the late 1980s to 'circling the wagons' (see Macken 1997, p. 190).

Despite the industry union blueprint, there were indications by the late 1980s that this was not being rigidly adhered to by individual unions. Some unions were displaying a strong tendency to select merger partners according to political or ideological interests (Spooner, 1989). This suggested that the restructuring of union organisations along industry lines as prescribed by

Future Strategies needed some fine-tuning to recognise the role played by ideology or politics, as this factor seemed as least as important in many of the mergers that have resulted from an industry focus (Jamieson, 1992). In recognition of the underlying tensions created by some existing craft and general unions in addition to the ostensible ideological influences upon restructuring efforts, the ACTU modified its blueprint in late 1990. Notwithstanding this variation to the model, Lambert (1991) notes that there was still a recognisable move among unions towards forming industry-based organisations.

The October 1990 ACTU Executive Meeting

Alongside its policy of creating large industry-based unions, the ACTU executive sought to rationalise union jurisdiction or coverage at the workplace level (Kelly, 1994; Yates & Ewer, 1997). As noted above, the process of union restructuring had left some unions somewhat resentful where they had been ejected or faced pressure to be ejected from their traditional areas of coverage (Easson, 1992). To resolve this situation the October 1990 meeting of the ACTU executive devised the concept of *principal*, *significant*, and *other* unions. In their respective areas of coverage, extant unions would be classified according to one of these three types.

Classification would be determined by a number of factors including award coverage, industry or parts of industries, and geographical areas. This suggested that consideration for assigning unions to one of the three types would be made in a manner which encouraged a flexible outcome. For example, there may be differences in the state strengths of trade unions which could temper union classification along strict industry lines. A *principal* union was the most desired status for unions to find themselves in and, as such, these unions were given prime responsibility for negotiation, representation of workers and the recruitment of new members within the designated industry. *Significant* unions were those with a substantial level of membership within the industry and could retain these members. However, they were expected to work closely with any *principal* union(s) to rationalise bargaining structures or to recruit new members. Clearly, *significant* unions were to be subordinate to *principal* unions in this process. The third type of union

classification was *other* unions. These unions could maintain their limited industry presence but only if members did not wish to belong to the designated *principal* union. That is, these unions were not to obstruct any employee wishing to join a *principal* union (see Dabscheck, 1995, pp. 127-128; Davis, 1992, p. 88).

It has been noted that this new policy, which outlined a framework to rationalise union membership within 58 industries or sub-industries, might do more to address the issue of multiple unions than might be achieved by way of merger (Rimmer, 1991). The three-tier classification scheme was not necessarily advocating a goal of 'one union, one workplace'. It did, however, support the establishment of only one bargaining unit in the workplace. This appeared to conflict with the objective of at least one influential employer group. While the Business Council of Australia supported the goal of fewer unions in the workplace, some doubt existed as to whether trade union restructuring efforts would do much to increase the enterprise focus of unions (Business Council of Australia, 1989, pp. 87-89).

Many ACTU affiliates were reportedly dissatisfied with the rationalisation process stemming from the establishment of *principal*, *significant*, and *other* unions (Spooner, 1991). On occasion, the scheme had resulted in individual unions seeking the co-operation of employers at the enterprise level in order to secure membership coverage and, hence, continued access to important resources. It was claimed that the coverage sought was often at variance with the direction envisaged by the ACTU (Spooner, 1991). This development gave rise to the following situation:

The 1991 (ACTU) Congress modified the 1987 blueprint for union merger from an emphasis upon the creation of 17 industry unions toward the establishment of between 17 and 20 large unions to encompass industry *or occupation* (emphasis added) coverage. This drew much wider support for the merger process...This decision represents both a compromise from the ACTU executive to existing large general unions, and a recognition that the mergers which have occurred since 1987 have not proceeded along industry lines (Jamieson & Westcott, 1992: 54).

These modifications reflected both the power of the large conglomerate unions and the demands of ACTU internal power balances, in addition to the history and politics of traditional union structures (Lambert, 1991). In contrast to the pessimism of Jamieson & Westcott (1992), it is argued here that the industry union model showed considerable resilience and that the changes were still accommodated without dismantling the central tenets of the model.

The Government and Trade Union Structures

The actions of governments can be influential in precipitating or restraining unions restructuring efforts. The principal direct role played by governments in changing environments is through the introduction of legislation. In addition to developments involving the ACTU, there have been a series of statutory changes generally believed to have facilitated union merger behaviour. To both coincide with, and support the ACTU's restructuring agenda of the late 1980s, the legislation was successively altered to ease the process of trade union mergers. In this way there has been state sponsorship of the union restructuring process (Mitchell, 1996; Patmore, 1992). To place the sponsorship of the late 1980s in its context, this section will explore the legal situation governing union merger activity since 1972. First, however, it will briefly describe the situation prior to this.

Legislative Change: 1972

Before 1972 the process of union merger was relatively straightforward. One organisation would simply de-register itself and the merging organisation would alter its eligibility rule to cover the members of the de-registered union (Creighton & Stewart, 1990). The minimum level of membership required to remain registered under the federal *Conciliation and Arbitration Act 1904* was set at 100. This figure further helps to explain the small size of many of Australia's unions. The situation was to change as federal governments, since the early 1970s, have played a key role in the union merger process (Deery, 1983).

In 1972 there was a point of departure in the statutory regulations governing union mergers with an attempt to prevent the combination of unions in the

engineering and metals industry. In that year political considerations led to the law affecting union mergers being altered by the McMahon Liberal-Country Party Government (Dufty & Fells, 1989). The amendment (section 158) to the *Conciliation and Arbitration Act 1904* stipulated that to be valid, a minimum threshold of 50 percent of a union's members were required to vote in a merger ballot. The change was set against the backdrop of the merger between the Amalgamated Engineering Union, the Boilermakers and Blacksmiths' Society and the Sheet Metal Workers' Union which took effect from 30 August 1972 (Bentley, 1972). This merger, in a strategic sector of the economy, stood to create a union of some 160,000 members (Mills, 1971) and, as such, was viewed with concern by certain groups, not the least being the Democratic Labor Party. The Democratic Labor Party wanted to frustrate the merger as it feared the joining of these militant unions would assist the Communist Party (Hagan, 1981, p. 229). To ensure this did not occur, the Democratic Labor Party wanted the amendment made retrospective in order that the aforementioned merger would be invalidated. However, this was resisted by the then Minister of Labour (see Bentley, 1972, p. 443).

The objective of Deery's (1983) research was to examine the feasibility of the 1972 amendment whereby at least 50 percent of the members of the unions which proposed to merge were required to vote. However, unlike Khoury (1978) who looked at returns in union *election* ballots, Deery explored returns for union *merger* ballots. Nonetheless, both studies reached a similar conclusion; that a negative relationship existed between the size of the ballot and the percentage of ballot papers returned. This finding was used to argue that the 50 percent voting threshold for union merger ballots was too high, and that this was especially problematic for large unions proposing to combine their organisations. However, one problem with this conclusion was that, particularly in the case of Deery (1983), the evidence used appeared to be more anecdotal and selective. For example, Deery only cited one example where both unions actually failed to reach a 50 percent return.

Despite this limitation, the 1972 amendment has been widely regarded as an obstacle or barrier to union mergers, particularly those between large unions (e.g. Brooks, 1981; Crean & Rimmer, 1990; Dabscheck & Niland, 1981; Deery & Plowman, 1991; Jamieson & Westcott, 1992; Khoury, 1978; Rimmer, 1981).

However, one study which has examined merger trends of federal unions between 1904-1986 found that a similar number of combinations occurred in the 1960s and 1970s decades (Griffin & Scarcebrook, 1989). The authors of this study were surprised at this given the introduction of the 1972 amendment which, as noted, was regarded as restricting union mergers. The results of this study give rise to the following question: is the existence or non-existence of statutory regulation the crucial, or at least a major factor, in explaining trade union merger activity? One possible explanation for the pattern revealed by the Griffin & Scarcebrook study might be that there could have been less pressure to merge in the 1960s, but of those attempted, were more likely to succeed. Similarly, there could have been more pressure on unions to merge in the 1970s, but these efforts might have been less likely to succeed. The analytical distinction between the total number of attempts to merge and the number of mergers actually concluded was beyond the scope of Griffin & Scarcebrook (1989).

Legislative Change: 1983

In 1983, the newly-elected Hawke Labor Government modified the *Conciliation and Arbitration Act 1904* to relax the merger provisions established by the 1972 amendment. As a result, the process of merging was made easier (Gardner & Palmer, 1992). In contrast to the 50 percent membership voting requirement prescribed in 1972, the 1983 amendment required only a 25 percent return of ballot papers where a 'community of interest' existed between the merging organisations. Where no such interest could be shown, the guidelines established by the 1972 amendment were still to be used. The 1983 change was significant because merger decisions were placed in the hands of the then Conciliation and Arbitration Commission which, if they were to proceed, must find them in the public interest. McMahon (1984) argues this requirement would result in the decision regarding the shape or form of union restructuring being removed from trade unions themselves and placed in the hands of the Commission. Consequently, it could mean both direct and indirect subjection to political and industrial contingencies, and to current government policy.

From the late 1980s in particular, the federal government has worked closely with the ACTU in bringing about the latter's objective of union restructuring (Michelson, 1997; Patmore, 1992). This was partially reflected both by legislative change and by providing unions with financial incentives to help offset the costs associated with union mergers. Both of these are explored below.

Legislative Change: 1988

The then federal Labor government enacted a new piece of legislation - the *Industrial Relations Act 1988* - which came into effect on 1 March 1989. This eased still further the legislative requirements for organisations that wished to combine (Gardner & Palmer, 1992). However, the changes did not restore the statutory regulations governing union mergers to the pre-1972 position (Creighton & Stewart, 1990). One immediate effect of the changes introduced by the new Act was that the time needed to give effect to a merger was shortened (Kollmorgen & Naughton, 1991). Union mergers which involved no extension of the relevant unions' membership rules meant that an application to combine could proceed directly to a ballot without having to face objection procedures from other unions (Creighton & Stewart, 1990).

A second effect of the new Act was that if a 'community of interest' was found to exist by the newly-named Australian Industrial Relations Commission (s. 239), all that was required was a simple majority of those who voted in favour of the merger for it to be approved. In other words, there was no longer a minimum voter turnout requirement. The Commission was required to make a 'community of interest' declaration if it was satisfied that a substantial number of the members of one of the organisations were:

- eligible to become members of the other organisation or each of the other organisations; or
- engaged in the same work or in aspects of the same work or similar work; or
- bound by the same awards; or
- employed in the same or similar work by employers engaged in the same

industry; or

- engaged in work, or in industries, in relation to which there is a community of interest [from s. 241(5)].

The above criteria were not cumulative and a 'community of interest' could be found if only one of the criteria was established. A merger that did not involve a 'community of interest' and was still permitted to proceed to ballot, had to ensure that at least 25 percent of the members of each union eligible to vote did so. If this threshold was achieved, a simple majority of voters in favour would validate the merger (s. 246). The *Industrial Relations Act 1988* continued the practice set forth in the *Conciliation and Arbitration Act 1904* whereby a large union was exempt from ballot where the size of the other organisation's membership was not more than 5 percent of its size.

The Act required federally-registered unions to have at least 1,000 members. A figure of 3,000 was originally proposed but was lowered in order to secure support from the Democratic Party in the Senate for the Act as a whole (Stewart, 1989). Unions with less than 1,000 members had three years in which to reach this level; at the conclusion of this period their continued registration (and therefore, survival) would be reviewed. Stewart (1989) has argued that the existence of small unions was not necessarily at odds with an industry structure; what he claims as being of more significance was whether these unions were industry or occupation based. Despite the clear intention to create industry unions, the Act appeared to make little or no attempt to apply pressure on larger craft-based organisations. In this matter Stewart has noted:

The suspicion must be that both the Government and the ACTU's real interest lies in the reduction of the number of unions per se and that any restructuring along industry lines that happens to eventuate from that process will be regarded merely as a laudable coincidence (Stewart, 1989: 116).

Legislative Change: 1990

The next stage in regulatory developments affecting union restructuring was the introduction of the *Industrial Relations Amendment Act 1990*. Following an instrumental role by the ACTU in lobbying the government (Griffin, 1992), the amendment to the Act, among others, increased the minimum size of

federally-registered unions to 10,000 members. Federal unions were given up to four years to reach this new threshold. Undoubtedly, this change was designed to intensify union merger activity. The result of the 1990 amendments to the *Industrial Relations Act 1988* also produced revised procedures to hasten the act of merging (Berry, 1992). One change of some significance was the level at which an exemption from holding a ballot was granted - this being raised from 5 percent to 25 percent of the size differential between those organisations proposing to merge. This effectively meant that fewer union members would be given the opportunity to express their views in a ballot on merger proposals which affected them. Provision was also made for unions to use their resources to support or promote the merger in the ballot (see Kollmorgen & Naughton, 1991).

While many of the legal obstacles to union structural reform had been largely removed by this stage, it was contended that substantial organisational and institutional impediments to union restructuring still remained (Creighton & Stewart, 1990). This suggests that although the statutory regulations governing union mergers had been eased, this provided no guarantee that merger would result. If this proposition is correct we maintain that while prevailing legal requirements may be a prerequisite, it is not a sufficient condition for explaining union merger activity. That is, legislation does not necessarily determine union action; scope still exists for the exercise of choice or social agency within the new legal circumstances (see Chapter One).

Financial Assistance

In contrast to the conclusion of the Hancock Report (1985) which had earlier rejected the ACTU's submission that public funds should be provided to assist unions in the merger process (p. 466), the federal government moved to offer such assistance. In a speech to the 1989 ACTU Congress, the then Minister for Industrial Relations, the Hon. Peter Morris, announced a programme of financial assistance to promote trade union mergers (Davis, 1990, p. 104). Resources were made available for the purposes of helping meet union legal costs (up to \$10,000), relocation expenses (up to \$10,000) and membership education programmes (up to \$50,000). Monies were not be used for costs associated with the balloting process or costs arising from a contested

application. Initially, funds were available only to federal unions and the proposed merger had to satisfy the 'community of interest' provision under the *Industrial Relations Act 1988*. In other words, the assistance was clearly designed to promote industry-based union mergers (Department of Industrial Relations, 1989).

A subsequent review of the scheme broadened the eligibility criteria to also include state-registered unions and increased the maximum level of funding available for each case (Department of Industrial Relations, 1990). There was a limit of \$100,000 for mergers involving two unions and \$125,000 for mergers involving three or more unions. Table 1 below sets out the total grants paid to unions under the government scheme to encourage trade union restructuring. It shows that trade unions were recipients of considerable funding assistance. Between 1989-90 and 1994-95 trade unions received a total of \$4,680,011 to facilitate mergers. The table further shows that state funding of union restructuring peaked in the 1990-91 fiscal year with the level of support declining steadily from this point.

Table 1: Government Financial Assistance for Union Restructuring

Year	Total Funds Paid
1989-90	\$268,140
1990-91	\$1,858,902
1991-92	\$1,318,349
1992-93	\$879,000
1993-94	\$230,620
1994-95	\$125,000 (partial year only)

Source: Personal correspondence to author from Department of Industrial Relations, 6 December 1994.

The Progress of Union Restructuring Efforts

The serious attention given to the transformation of union structures from 1987 (Jamieson, 1992; Jamieson & Westcott, 1992) is reflected by the extent of the resultant changes. Although relatively few union mergers were concluded

between 1987 and 1989 (Berry, 1992; Rimmer, 1991), this is not to suggest that unions were necessarily resisting ACTU restructuring efforts. Rationalisation was occurring in terms of union coverage at the industry and workplace levels (Kelly, 1994; Spooner, 1990; 1991). The reason for the slow start by many unions to the finalisation of their mergers may be partly explained by the at least "two to three year period required to translate initial discussions into an actual merger" (Griffin, 1992: 217). Further, while not suggesting a time frame, others have also noted that "union mergers take years to finalise" (Gardner, 1988: 148). Some, such as Cameron (1982), believe that the process can extend to as much as five years in duration.

However, once merger negotiations between unions gathered momentum the intensity of merger activity was beyond the expectations of the ACTU (Gahan, 1993). Others have confirmed this pace by describing the incidence of trade union mergers in 1993 as 'breathhtaking' (Kelly, 1994). When placed in its historical context, Table 2 shows how dramatic the pattern of union mergers has been from the late 1980s. A total of 174 mergers involving federal unions has occurred over a 90 year period for an average number of 1.93 mergers per year. Of this figure, 80 mergers (46 percent of the total) occurred in just an eight year period (1987-1994).

Table 2: Trade Union Mergers in Australia, 1905-1994

Year	No. of mergers	Average annual no. of mergers
1905-1910	4	0.7
1911-1920	28	2.8
1921-1930	18	1.8
1931-1940	3	0.3
1941-1950	14	1.4
1951-1960	2	0.2
1961-1970	9	0.9
1971-1980	9	0.9
1981-1986	7	1.2
1987-1990	14	3.5
1991-1994	66	16.5

Source: Griffin & Scarcebrook, 1989, p. 260; Chaison, 1996, p. 121.

In 1987 the ACTU aimed for no more than twenty unions within two years (ACTU/TDC, 1987). While considerable progress has been made towards achieving this goal, it is both apparent that the process of union restructuring has taken longer than two years to complete, and that there are still more than twenty unions. For instance, over a nine year period the number of unions declined by 58 percent. In 1987 there were 316 registered unions; by 1996 there were 132 unions (see Deery *et al.*, 1997, p. 7.15).

Conclusions

This chapter has explored the question of trade union restructuring in Australia. It has provided a macro-level description and analysis of the political and economic context which surrounded the ascendancy of merger as a 'solution' to the problems reportedly facing many trade unions from the late 1980s. It began by both noting the traditional craft or occupational basis and small size of many unions, and the reasons for this. Although various Committees of Inquiries had recommended change to this structure, there can be little doubt that declining union membership was a major trigger which precipitated the move by the ACTU towards an industry form of unionism. Moreover, the pattern of falling membership did not show signs of abating. It has also been argued that despite some modifications to the industry-union model, the ACTU blueprint which sought to transform trade union structures has, nonetheless, proved remarkably resilient.

The main arguments supporting the formation of industry unions have included a more efficient use of resources, the provision of new services, opportunities for recruiting members in areas of union weakness, increased union power, and a reduction in costly union demarcation disputes. It is unsurprising, when set against a backdrop of decline, these purported benefits of restructuring largely revealed an apparent consensus by individual unions in accepting the ACTU's reform agenda (see Davis, 1990). The restructuring process was further aided by legislation designed to increase union size, and by public funds to offset some of the costs associated with union merger.

At an aggregate level, the institutional environment in which trade unions operated by the late 1980s had being re-fashioned; in turn, this process provided considerable uncertainty and instability to union operations. This led many unions to consider merger as a strategy to adapt to their environments: between 1987 and 1994 there were 80 mergers involving federal unions.

Rather than testing the research propositions across a diverse set of industry sectors, the strategy of merger is explored with reference to the media and entertainment industries only. By restricting the focus to a limited set of case studies within the same industries, the research will be better able to show both why and how trade unions merge. First, however, both the nature of work in these industries and a profile of media and entertainment unions' characteristics are documented. This is the subject of the following chapter.

CHAPTER 3: THE MEDIA AND ENTERTAINMENT INDUSTRIES: THE NATURE OF EMPLOYMENT, TRADE UNION STRUCTURES AND METHODS

Introduction

While the previous chapter provided some background or context to the issue of trade union restructuring in Australia, the purpose of this chapter is twofold: first, it will briefly introduce the nature of work and the employment relationship in those industries represented by the unions in the study. Previous research conducted into professional sports, live theatre, newspapers, radio and television broadcasting, and motion picture production in particular, are examined. These are some of the principal areas in which the Media, Entertainment and Arts Alliance (MEAA) in Australia has jurisdictional coverage. The discussion will show how many industries within media and entertainment are characterised by short term and intermittent employment, job insecurity, segmented labour markets and a tendency towards an individual (rather than collective) identity. In some areas, technological developments have shaped these industry characteristics. The overview reveals how unions operating within these sectors are subject to considerable fluctuation in terms of their membership resources. Some unions have sought to adapt to these circumstances by helping to manage aspects of performers' compensation. In doing so, such unions have attempted to reduce environmental uncertainty by increasing membership dependence on their trade union.

The second purpose of the chapter is to provide a profile of those organisations that make up the MEAA. These include the Australian Commercial and Industrial Artists Association (ACIAA), the Australian Journalists Association (AJA), Actors Equity of Australia (Equity), the Australian Theatrical and Amusement Employees Association (ATAEA), the Artworkers Union of NSW and the Professional Rugby League Players Union. The Australian Soccer Players Association is not discussed here since its formation and subsequent absorption by the MEAA appear to be almost indistinguishable events. Consequently, there was little organisational data available about the Soccer Players' Association. In addition, some detail is provided about three unions which some of the above

organisations, either individually or collectively, have attempted, without success, to merge with. These include the ABC Staff Union, the Printing and Kindred Industries Union (PKIU) and the Musicians Union of Australia. The organisational profiles will reveal selected details about the unions' including their methods, structures, memberships, inter-union relations and ideology. This data will provide important insights into the various unions and help establish, and expounded further in subsequent chapters, why the unions did or did not merge.

While for many of the aforementioned unions the word 'association' in their title may reflect a certain conservatism in ideology,¹ it does not mean that they did not consist predominantly of employees or that they failed to engage in activities such as collective bargaining which often distinguishes trade unions from professional associations (see Blackburn 1967, p. 28). Following Markey & Tootell (1994, p. 33) an industrial organisation is one which is registered under either federal or state industrial legislation. Registration means that the organisation has access to the tribunal and award system, and that the internal governance and jurisdiction over which a union may recruit members, must conform to the relevant legislation. All of the organisations in the study are therefore industrial, rather than professional entities, although it must be acknowledged that many pursued both professional and industrial objectives.

The Nature of the Work

Since there are a diverse range of occupations in the arts and entertainment industries, variations exist both in the nature of the work and the employment relationship. This section explores certain work aspects of journalists, performers, technicians and professional sportspeople - all areas within the coverage of the MEAA.

¹ It has been argued that the nomenclature 'association' is of limited utility as an indicator of union character because titles do not necessarily capture changes in character over time (Blackburn, 1967, p. 36).

Technological change has affected a range of work-related characteristics in the arts and entertainment industries (Gray & Seeber, 1996; Koenig, 1970; Seltzer, 1989). For instance, motion picture production in the United States has shifted away from mass production methods towards flexible specialisation, in turn, resulting in a high degree of workforce casualisation (Christopherson & Storper, 1989). Short-term employment, irregular employment and considerable part-time employment in the motion picture production or film industry are now commonplace. This means that industrial relations in entertainment has the distinctive feature of insecurity of employment (Campling, 1992; Seglow, 1978). It is not surprising to learn that few individuals spend their careers entirely within the various entertainment industries; even fewer devote an entire career to a single organisation. In this regard, "the average employee...is attached to his or her craft more in spirit than in measurable employment" (Gray & Seeber, 1996: 34).

More recently, Christopherson, (1992) argued that the nature of employment in the motion picture industry (more so than in television broadcasting) has rapidly changed, so that it is increasingly organised by way of sub-contracting production outside of the firm. This has promoted greater fragmentation within motion picture production. An additional feature which has led to fragmentation, particularly among United States craft and technical (commonly referred to as 'below-the-line') workers, has been the dramatic increase in the size of the labour force due in part to the inability of the craft unions to control the labour supply. Christopherson (1992) believes that such developments help explain why a more heterogeneous workforce with divergent collective interests has emerged in film production. In contrast, Paul & Kleingartner (1994) and Murphy (1997) suggest that unions which represent creative or talent (commonly referred to as 'above-the-line') workers in motion picture and television production have been able to secure certain benefits to the advantage of their members. Not only is there a very high level of unionisation of creative or talent workers (for example, actors or performers, musicians, writers, directors) in the industry (Counter, 1992), but many have personal contracts which are a product of the individual's labour market power and negotiating skills of agents.

In addition to the nature of work, new technology has also affected compensation practices. One important and widespread feature of the employment relationship for creative or talent workers is the payment of residual compensation. These are additional payments for the exhibition of an entertainment product in media other than the one for which it was originally created, or for its reuse within the same medium subsequent to the initial exhibition (see Paul & Kleingartner, 1994, p. 669). This form of compensation system, which is typically managed by 'above-the-line' unions, helps to cushion performers' during periods of unemployment since irregular employment results in variable and fluctuating income levels (see Layder, 1984, p. 155). It also places those unions representing creative or talent workers in a central position in the employment relationship (cf. Murphy, 1997). Moreover, its members are highly dependent on their unions' ability to manage the industry's residual compensation system and, as such, have an incentive to retain union membership even if they are not in employment at a particular time.

The nature of the employment relationship in many sections of the entertainment industry (for example, project-based and intermittent periods of work), has meant that the ability to conduct effective strike action is seldom available.² Thus, Kleingartner & Paul (1992) propose that union relevance and effectiveness rests in part on being able to generate an interdependence between themselves and employers, and adopting practices which serve to promote the survival of the industry as a whole. Managing the system of residual compensation is an example of the former.

In many countries the acting profession is overcrowded as a result of a lack of control over entry by the respective actors' trade union; consequently, there are high levels of unemployment. In turn, this produces employment insecurity and uncertainty amongst the acting community (Layder, 1984). It has been suggested elsewhere (e.g. Prindle, 1988, p. 11) that one of the major functions of a trade union - that of providing its members with job security - is very difficult, if not impossible, to achieve for actors' unions. It is argued that this influences the

² This does not mean that strike action never occurs. Hearn (1982), writing in Australia, reports how dancers took industrial action following a reclassification dispute at Australian Ballet. However, in this case the dancers were permanent employees.

objectives and work methods of 'above-the-line' entertainment unions (see below).

While the majority of performers work on short term contracts with many different employers, this is not to deny the existence of internal labour markets for 'above-the-line' workers. Layder (1984) argues that the labour market for actors or performers can be segmented into three distinct groups (in ascending order): those who are part of the 'mass', those in the 'outer circle', and those fortunate enough to be regarded as the 'elite'. Actors in the 'mass' constitute the largest group and are typified by many of the features discussed above such as low income, intermittent work and job insecurity (see also Crosby, 1992). Generally, their careers are precarious and highly discontinuous. If actors are able to move upwards in career status as a result of the influence of agents, casting directors and producers, the employment uncertainties and insecurities are mitigated (Layder, 1984). Despite greater employment and income security, many 'elite' performers are members of a relevant union.

It is this feature, that unions of performers contain numerous members who are regarded as 'elite' in terms of their profile, fame and wealth, that helps set 'above-the-line' entertainment unions apart from most other unions. In a case study of the Screen Actors Guild in the United States it was claimed that the glamour and celebrity of successful actor members can, through their access to the media, improve the Guild's balance of power in labour-management negotiations (see Prindle, 1988, pp. 3-4). However, few of the 'elite' depend on the Guild to the extent that ordinary members do and so the stars are relied upon to lend support to campaigns that largely benefit the 'mass' (Prindle, 1988, p. 14).³ Perhaps one of the main reasons why they choose to do so is the integral role played by 'above-the-line' unions in managing the industry's wider compensation system (noted earlier). Future earnings of the 'elite' are partly contingent upon the efficacy of their union in ensuring that appropriate residual payments are made.

³ In Australia, leading actors are also periodically willing to participate in union-led campaigns (see *Sydney Morning Herald*, 26 August 1985, p. 14).

Research conducted in a number of different settings add further support for the existence of a segmented labour market for performers. It appears that the glamour of acting and the prospect of achieving stardom and status at some future point attracts many to the profession. An historical study by Jordens found that the majority of Australian entertainers who performed in Vietnam during the war were young and relatively unknown and in all likelihood looking to simply develop their careers by volunteering (Jordens, 1990, p. 72). Others also note that the entertainment sector attracts "many ambitious people who will work for practically nothing to showcase their talent" (Paul & Kleingartner, 1994: 666). As a consequence, 'above-the-line' unions are confronted with those prepared to trade off minimum wage rates for labour market 'exposure' (Vale, 1983). This suggests that securing employment is at least, if not more, important as receiving sufficient income for the 'mass' in unions of creative or talent workers.

Unlike the situation in entertainment, a more restricted system of entry into media work appears to exist. Attaining minimum educational standards and undergoing a cadetship are ways to control access to journalism (e.g. Noon, 1993; Reed, 1988; 1991). However, the ability to control entry is complicated by the existence of an external labour market in the form of freelance journalists (Noon, 1993). This perhaps helps explain the view of some who note the itinerant character of journalism (Lloyd, 1985, p. 148). While many freelance journalists are members of their craft union the impact of taking industrial action by full-time journalists is limited by the availability of this group for work (Noon, 1993). This suggests that differences in employment status can hamper a united perspective from developing within journalist unions (cf. Bray, 1985).

There are also other features which contain implications for the objectives and work methods of journalists' unions. Journalism is a highly stressful job with the pressure of constant work deadlines and job responsibilities (Lawrence, 1988, p. 108). However, these pressures may be taken on through choice due to a "close identity of journalists with their work, making them willing to accept workloads that other professions would have rejected" (Lloyd, 1985: 23). Evidence suggests too, that work variety and freedom are significant sources of job satisfaction (Reed, 1991). While there is a high level of union membership in newspapers (Lawrence, 1988, p. 83), central to the occupational identity and employment of

journalists, is the notion of individualism (Hagan, 1973). The reality is that the news gathering process is more of an individual pursuit than a collective effort (Noon, 1993). Consequently, individual promotion routes abound (e.g. Smith & Morton, 1990). This has meant that unions of journalists, despite "espousing collectivism in a profession that is steeped in the ethos of individualism and competition...operate in an ambivalent milieu" (Lloyd, 1985: 309). Similarly, unions of performers are confronted with the challenge of promoting collectivism in a profession that is both highly individualistic and extremely competitive (Vale, 1983).

Employment in professional sports has a unique and complex set of labour market regulations. Dabscheck (1993) argues that regulations such as transfer systems and fees, salary capping, the draft, drug testing and the players' judiciary are beyond the scope of other unions. Despite the highly regulated nature of sports work, there is no shortage of those who seek to enter a range of professional team sports. For rugby league players in Australia an internal labour market consists of 'junior' players, 'middle' players and 'star' players (see Halfpenny, 1991). This segmentation parallels the internal labour market for performers noted earlier by Layder (1984), and between certain occupational groups within motion picture production as identified by Christopherson & Storper (1989).

The demands of professional team sports are such that it requires year-round training, a fact which limits alternative employment opportunities (Way, 1993). In conjunction with the relatively short playing life or career (Dabscheck, 1991), this suggests that players need to take advantage of the limited time in their respective sports. This may be one factor which helps account for and enhances the attraction of union membership (Way, 1993), since union density in professional team sports in Australia is high. Dabscheck reports that from 1982 to 1991 the membership coverage of the Professional Rugby League Players Union increased from approximately seventy to ninety-five percent (Dabscheck, 1993, p. 254). Nonetheless, the limited duration in the sport results in high turnover in union membership (Dabscheck, 1991). This introduces a sense of instability over union access to membership resources.

Having briefly described the characteristics of work and employment in a range of areas within the media and entertainment industries, attention will turn to the unions themselves. An organisational profile of the unions that are examined in the study are provided in the following sections. Information about union structure, membership and other salient information is presented.

The Australian Commercial and Industrial Artists Association

The Australian Commercial and Industrial Artists Association (ACIAA) was founded in 1937 with the object of improving the wages and work conditions of commercial artists. Its membership, of which 28 percent were women,⁴ were confined largely within the advertising and public relations industries. Apart from its industrial concerns the ACIAA appeared more interested in pursuing professional issues such as organising exhibitions, ensuring that artists received adequate education and training and publishing trade annuals. Because of this focus, the association distanced itself from the label 'trade union'.⁵ The white-collar ACIAA was a conservative union both in its ideology and in the sense of not being affiliated to any political party.

The ACIAA was de-registered as an industrial organisation in 1975 after having failed to lodge a financial return.⁶ This course of action by the Industrial Registrar was not altogether unexpected as the ACIAA had largely been inactive. To ensure that the Printing and Kindred Industries Union (PKIU) did not assume total coverage of advertising and public relations (see below), the ACIAA sought, and re-gained, registration in 1979.

⁴ Letter from L. Connor to the Industrial Registrar, 27 September 1991.

⁵ *Adguage*, March 1981.

⁶ Interview with J. White, 9 August 1995.

While it had a total membership of 1,520 in 1981, the ACIAA experienced a steady decline so that by 1986 it only had 588 members.⁷ It appears that the union enjoyed something of a recovery since its total membership had reached 997 members by September 1991. It is likely, however, that this growth was illusory as the merger ballot statistics involving the ACIAA in late 1991 revealed that the large proportion of its membership were unfinancial; only 96 of the ACIAA total were paid-up members.⁸ The low level of financial membership helps support the proposition, held by a former federal president, that relatively few commercial artists in advertising and public relations were interested in belonging to a trade union.⁹

The ACIAA had a fairly simple organisational structure; each mainland state had a district committee of management (which typically met monthly) of twelve members which consisted of a president, two vice-presidents (one senior and one junior), secretary, treasurer and seven ordinary members. The committee was elected annually. Above this level was the federal committee of management which met annually. This comprised four office bearers (president, vice-president, secretary, treasurer) plus district delegates. The number of delegates was determined by a proportional representation system depending on the size of each of the states' memberships. Elections for the federal committee of management were bi-annual. The rules of the ACIAA did not preclude members from concurrently holding positions at the federal and district levels. In practice, this meant that a number of individuals held more than one office in the organisation since there were very few activists within the union.

The ACIAA was not the only industrial organisation with an interest in the industry. The more militant blue-collar PKIU had coverage of artists in printing houses regulated through the *Graphic Arts Award*. The close jurisdictional proximity of the PKIU to the ACIAA prompted the latter, on occasion, to take steps to safeguard their interests. In one case, this involved the creation of a

⁷ Personal correspondence from Australian Industrial Registry, 5 December 1995.

⁸ See Australian Industrial Registry file D No. 20014/91.

⁹ Interview with J. White, 9 August 1995.

separate state award in Victoria for commercial artists. This was a defensive action by the ACIAA to exclude the PKIU from sections of the industry because it recognised that a minimum rates award held little relevance for (typically) highly paid commercial artists. Having established the *Commercial and Industrial Artists Award* in 1983 as their main industrial agreement, the union did not appear to maintain and service it. For example, the Australian Journalists Association later noted that it lacked many standard features of modern awards such as the provision of superannuation.¹⁰

The Australian Journalists Association

The Australian Journalists Association (AJA) was founded in December 1910 and registered as a federal organisation under the *Conciliation and Arbitration Act 1904* in May the following year. Although there is some indication that journalist organisations in some states had preceded this foundation date by some years, many of these proved to be short-lived (see Lloyd, 1985, pp. 30-54). The Association had coverage over such groups as journalists, artists, court reporters, photographers, Hansard staff, publicity officers and some workers in book publishing (Huntley, 1985, p. 161). Those not eligible for membership included editors-in-chiefs, the chiefs of reporting staff employed by daily newspapers in capital cities and newspaper proprietors who did not derive the majority of their salaries from journalism.

In terms of structure, the union had eight branches as follows: NSW, Victoria, Queensland, South Australia, Western Australia, Tasmania, Northern NSW and Canberra. Prior to 1992 the union operated a decentralised funding model whereby the branches collected all the income and then remitted, on the basis of the proportional size of total branch membership to total union membership, a capitation or sustenance fee to fund the federal office of the Association.

The union's federal council, which met every two years, was the supreme body of the AJA and had direct jurisdiction over all matters except for ethics although

¹⁰ AJA Circular Memo 281/91, 30 August 1991.

indirectly it did have some involvement; membership of the national ethics committee was drawn from federal council. Federal council consisted of the union's five federal officers (federal president, two federal vice-presidents, federal secretary, assistant federal secretary) and delegates from each branch in accordance to the branch's proportion of total financial membership. The rules were quite prescriptive with respect to those delegates who could attend federal council. Notwithstanding the formula, each branch was entitled to at least two delegates who were necessarily the branch president and secretary. Furthermore, where a branch was entitled to three or more delegates to federal council one of every three was to be a woman.¹¹ Setting aside places on federal council for women was achieved through an affirmative action rule in 1988.

Traditionally, the involvement of women members in the formal structures and organisation of the AJA had been minimal. It was not until the mid 1980s that women were first employed as branch secretaries and industrial officers (Lloyd, 1985, p. 306). The shift towards improved levels of representation by women reflected the changing gender composition of the union. In 1983-84, women constituted 26 percent of the AJA's membership (Rawson & Wrightson, 1985, p. 14). By mid-1991 this figure had expanded as women made up close to 38 percent of the AJA's total membership.¹²

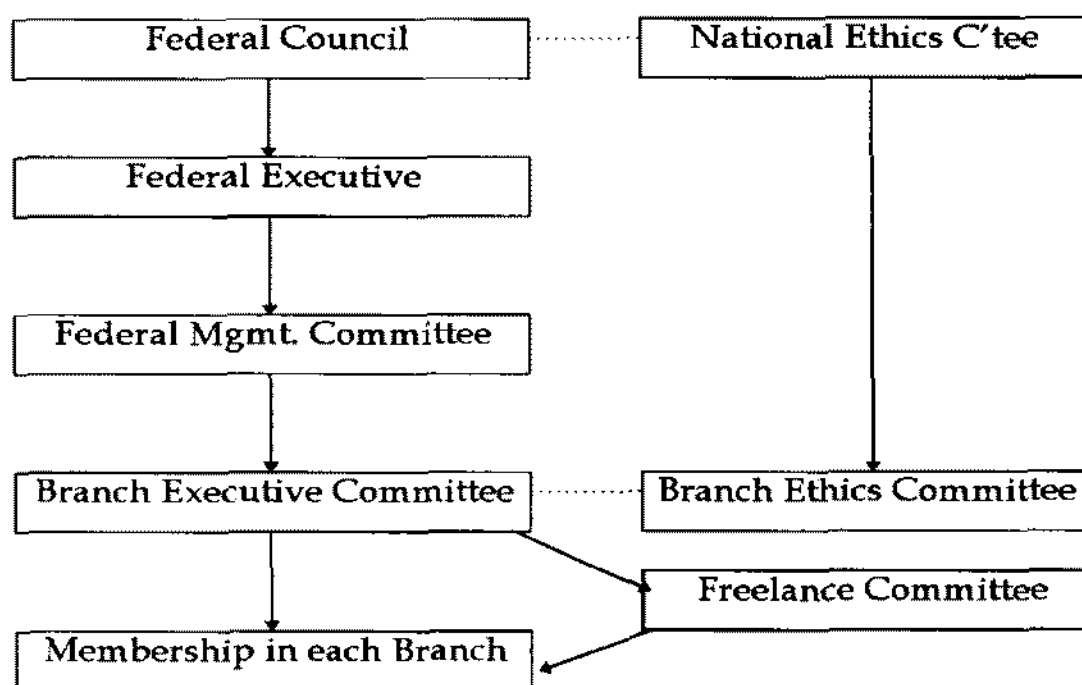
Below federal council was the federal executive which met three times a year and consisted of the union's five federal officers and each branch president (eight) who could exercise weighted votes according to the level of their respective branch memberships. The general administration of the AJA was the responsibility of the federal executive, and through the federal executive the federal management committee was charged with managing the day-to-day affairs of the Association. Collectively, the federal president, two federal vice-presidents, federal secretary and assistant federal secretary formed the federal management committee.

¹¹ See AJA Constitution and Rules, Rule 52.

¹² AJA Circular Memo 265/91, 23 August 1991.

Branch committees were an additional layer within the AJA's structure and consisted of a president, two vice-presidents, treasurer, secretary and up to seven other members. It was primarily at the branch level that the union's code of ethics was administered with branch ethics committees charged with investigating complaints of violation against the code. Branch ethics committees would make recommendations to the branch committee with a respondent member having a right of appeal. Some of the branches, such as NSW, had also established separate committee structures for their freelance members. The structure of the union is displayed in Figure 3.

Figure 3: AJA Organisational Chart



In addition to its mainstream industrial concerns, the AJA has always embraced a strong professional identity. Indeed, one of the objects of the Association has been to 'uphold and defend the professional interests, status and rights of members and the usages and customs of journalists'.¹³ The twin features of the AJA - that it

¹³ AJA Constitution and Rules.

pursued both industrial and professional concerns - initially appeared to be conflicting objectives. For example, the union was historically averse to behaviour associated with industrial organisations such as strike activity. As Hagan notes, it was not until thirty-four years after the formation of the AJA that its members first took industrial action (Hagan, 1973, p. 159). Arguably, this may be related to both the strong individual identity of journalists and the existence of a freelance journalist workforce, with weak industrial coverage, noted earlier. The early organisational acquiescence (Lloyd, 1985, pp. 79-80) began to change so that by later decades the AJA had adopted a more militant character (see next paragraph), a phenomenon that was not unique to the AJA but which was quite widespread among white collar trade unions in general (Bray, 1985). A concern for professional matters can be exemplified by the AJA's focus on journalist education and training and the development of a code of ethics (Reed, 1988; 1991). It was believed that the development of such aspects would help enshrine the professional status of journalists (Lloyd, 1985, p. 171). By the 1980s it appeared that the AJA had reconciled the co-existence of its industrial and professional objectives.

Attempting to explain the growing militancy of the AJA in the 1980s, Bray has argued that the diversity of the AJA's membership was a factor which has militated against the achievement of internal union cohesion and unity (Bray, 1985, p. 38). That is, areas or groups such as commercial radio and television, public relations and freelance AJA members are ostensibly less militant than journalist colleagues working in the Australian Broadcasting Corporation (ABC) and metropolitan daily newspapers, in part because the former are more recent media arrivals. It was further observed that the ABC and metropolitan daily newspapers have been a traditional source of recruitment by the union for its officers (Bray, 1985). As Table 3 below shows, the single largest area of AJA membership have been journalists working in metropolitan daily newspapers; nearly one quarter of all members in 1992 were from such workplaces.

In contrast to the conclusions drawn by Bray, there is evidence to suggest that freelance members, themselves a significant proportion of the AJA (see Table 3), were becoming an increasingly important, if not, militant group within the AJA during the 1980s. There was a close association between widespread industry

restructuring in the late 1980s, which resulted in the closure of many newspaper titles, and an expansion in AJA freelance members.¹⁴ However, increasing agitation by freelance journalists had actually begun in the early 1980s. In July 1981 the AJA NSW freelance section was founded and they began to seek greater attention and support from the union.¹⁵ The freelance section managed to establish their own NSW freelance committee which produced a newsletter, *Freelance*, for its constituents.

Table 3: Total AJA Membership by Industry/Area (at 1 January 1992)

Industry/ Area	Number	(%)
Metropolitan Dailies	2,912	(24.3)
Magazines	329	(2.7)
Regional Dailies	859	(7.2)
Provincial Non-Dailies	415	(3.5)
Suburbans	595	(5.0)
Other Print	450	(3.8)
Australian Associated Press	146	(1.2)
Australian Broadcasting Corporation	765	(6.4)
Special Broadcasting Service	189	(1.6)
Commercial Radio	315	(2.6)
Commercial Television	473	(4.0)
Government and Related	989	(8.3)
Books	93	(0.8)
Private Public Relations	331	(2.8)
Other Employed	345	(3.7)
	9,206	(76.9)
Freelance/Contractors	2,518	(21.0)
Unknown	250	(2.1)
	11,974*	(100.0)

Source: AJA Circular Memo 23/92, 22 January 1992.

* This figure excludes 585 members of the ACIAA which, by January 1992, had been absorbed into the AJA. With the inclusion of the former, the total AJA membership increased to 12,559.

¹⁴ *The Journalist*, August 1989, p. 8.

¹⁵ In 1983 the NSW branch responded to this pressure by appointing a part-time freelance organiser (See *The Journalist*, March 1983, p. 2).

Set against a record of poor industrial performance by the AJA leadership, a national newspaper strike in 1980 concerning the issue of new technology (Hearn, 1981) was a catalyst for change within the AJA. While journalists have become more central in the newspaper production process as a result of new technology (cf. Gall, 1992; Noon, 1993; Smith, 1988 in the United Kingdom), this is not to deny that the introduction of visual display terminals has, on occasion, been of concern to journalists. There was criticism directed by sections of the membership towards the federal AJA leadership over its handling of the dispute (Bray, 1985). As a result, a new federal secretary was elected in 1980 while the incumbent federal president faced (but survived) his only contested election for the presidency, which he held from 1973-86, an annually elected position, also in 1980.¹⁶ There was also change in the leadership of the branches. The 1980 Victorian branch elections saw a new reform group voted in with this group managing to secure all but the position of branch secretary. The previous year, in 1979, a reform group had swept into power in NSW.¹⁷ These cases illustrate that widespread disenchantment was evident even before the 1980 newspaper strike and that the question of new technology merely acted as the channel by which this could be expressed.

Following the conclusion of the 1980 national strike, the AJA took concerted steps to strengthen relations with other newspaper unions, most notably the PKIU. It appeared that this would be a necessary prerequisite to increasing the effectiveness of the unions within the industry (Davis, 1987, p. 57). Members of the PKIU had crossed AJA picket lines during the strike thereby ensuring the continued production of newspapers which, in turn, undermined the bargaining position of the AJA against the proprietors (Bray, 1985). The PKIU actions during the strike had ostensibly stemmed from an earlier period when, on a number of occasions, AJA members had themselves not respected PKIU picket lines.

¹⁶ Interview with J. Lawrence, 28 June 1996.

¹⁷ Perhaps the term 'reform' helps reveal the changing internal political character of the Association. In the period leading up to merger in the early 1990s the AJA was generally depicted as a left-wing trade union (Costigan, 1992).

The question of inter-union relations for the AJA assumes something of a different character in so far as the issue historically, has also involved the question of affiliation to the Australian Council of Trade Unions' (ACTU). Despite numerous plebiscites on the topic of ACTU affiliation (see Table 4 below), the membership has remained opposed to formal attachment and, hence, identification with the working class (Reed, 1991). This policy, however, has not precluded membership of various state union peak bodies where, for example, the two largest branches - NSW and Victoria - were affiliated to the Labor Council of NSW and the Victorian Trades Hall Council, respectively.

Table 4: AJA Membership Voting Statistics on ACTU Affiliation

Year of Referendum	For (%)	Against (%)
1944 ¹	32	68
1956	n/a	n/a
1973	n/a	n/a
1980 ²	42	58
1984 ³	39	61

¹ See Lloyd (1985), p. 223.

² *The Journalist*, December 1980, p. 3.

³ *The Journalist*, September 1984, p. 1.

The most recent attempt to affiliate with the ACTU was in 1987 but on this occasion the union relied upon a vote of the union's federal council rather than organising a national rank-and-file plebiscite.¹⁸ The issue proved contentious and while the litigation that ensued was proceeding, the AJA was an affiliate of the ACTU and sent six delegates to the 1987 ACTU Congress.¹⁹ The affiliation decision was overturned by a full bench of the Federal Court and subsequently the AJA's affiliation was annulled. Even as late as 1991 the union's federal council still harboured a desire to affiliate with the ACTU and resolved to conduct a ballot of the membership with this object in mind.²⁰ However, the ballot never

¹⁸ *The Journalist*, April 1987, pp. 1, 12.

¹⁹ Letter from C. Warren (AJA) to B. Kelty (ACTU), 2 September 1987.

²⁰ Minutes of AJA federal council meeting, 14-19 April 1991, Item 9.10.3.

took place. The AJA's relative isolation from the industrial wing of the labour movement was exacerbated by the union's constitution. This has prohibited affiliation to the political wing of labour and, in fact, membership of any political party (Lloyd, 1985, p. 289). The union has eschewed any overt involvement in politics because part of a journalist's self-concept is to remain objective and bi-partisan in the news gathering and reporting process.

Related to the union's political and industrial independence was the organisation's initial arguments in wage fixation. There are certain historical arguments reported by some (e.g. Lloyd, 1985) regarding the doctrine of *sui generis* (uniqueness); the union had argued before industrial tribunals that it was an industry or union that stood apart from others. However, its strategy to improve wage rates was problematic in that *sui generis* was also used by newspaper proprietors after the Second World War as a reason why setting journalists' wages should not be brought into the mainstream of wage fixation. Recognising that the employers were using the argument of *sui generis* to frustrate the union's aspirations, the AJA mounted a successful challenge to the doctrine in 1966-67 when the Commission agreed that principles which apply generally to federal awards should also apply to the profession of journalism (see Lloyd, 1985, pp. 258-263).

Despite widespread pressures from the late 1980s to move towards decentralised forms of wage determination, the AJA has remained committed in principle to a centralised wage system. This is because such a system is perceived as providing regular improvements in employment conditions and ensuring greater protections against an oligopolistic pattern of media ownership.²¹ Here, other union methods have been important. Lobbying against the concentration of media ownership with its implications for job losses and the curtailment of a diverse range of information sources to the public, has been an important function for the AJA (Lloyd, 1985, p. 250). It has been estimated, for example, that one global media proprietor - Rupert Murdoch - controls approximately 70

²¹ *The Journalist*, January 1990, p. 9.

percent of daily newspaper circulation in Australia.²² Although political lobbying is an important union method, there is a view, held by some AJA officers, that the Association has historically been weak in securing gains of any significance in the lobbying arena.²³

Actors Equity of Australia

While current sources within the union consider the date of formation of the organisation as 23 October 1939 when a new management group assumed control of the organisation,²⁴ there was a union for performers as early as 1919 when the Actors Federation of Australasia was founded. The Actors Federation was registered as an industrial organisation the following year (Jadeja, 1994, p. 17; Vale, 1983). The Federation underwent a number of name changes; in February 1936 it became known as Actors Equity of Australia, and in May 1945 it became the Actors and Announcers Equity Association of Australia following the disbandment of the Announcers Association of Australia, an organisation which had developed in 1938 to represent radio broadcasters (Vale, 1983). The name, Actors Equity of Australia (hereafter referred to as Equity), was re-visited when the union once again assumed this as its registered title in 1982 (Jadeja, 1994, p. 17).

By 1990 Equity had a total of nearly 12,000 members.²⁵ Its constitutional coverage extended to such groups as dancers, variety artists, vaudeville artists, showgirls, nudes, comperes, circus artists, opera singers, actors, extras, radio and television announcers, stunt workers and other performers. Those classified as actors were the core area of the union (Huntley, 1985, p. 5). In terms of Equity's gender balance, males and females were nearly equally represented; in 1983-84, women made up 48 percent of the membership (Rawson & Wrightson, 1985, p. 14).

²² *Sydney Morning Herald*, 11 March 1991, cited in Keenoy & Kelly, 1996, p. 373.

²³ Interview with M. Sutherland, 26 June 1996.

²⁴ *Equity*, special 50th anniversary issue, November 1989; Minutes of Actors Equity annual general meeting, Sydney, 23 October 1939.

²⁵ *Equity*, December 1991, p. 17.

In terms of organisation, Equity operated a highly centralised structure with a national funding model in place. This meant that all membership subscriptions were paid directly to the federal office for subsequent disbursement to the various state branches. The union maintained offices in all states except Tasmania. The national focus of the union derived in part from the way in which the various employers or employer bodies were organised. Most of Equity's major employing bodies (for example, the Australian Broadcasting Corporation, the Federation of Australian Commercial Television Stations, and the Screen Producers Association of Australia) operated in more than one state and the union was concerned that unless it had a strong national organisation with federal awards, that employers would be able to successfully implement different employment conditions across different states.

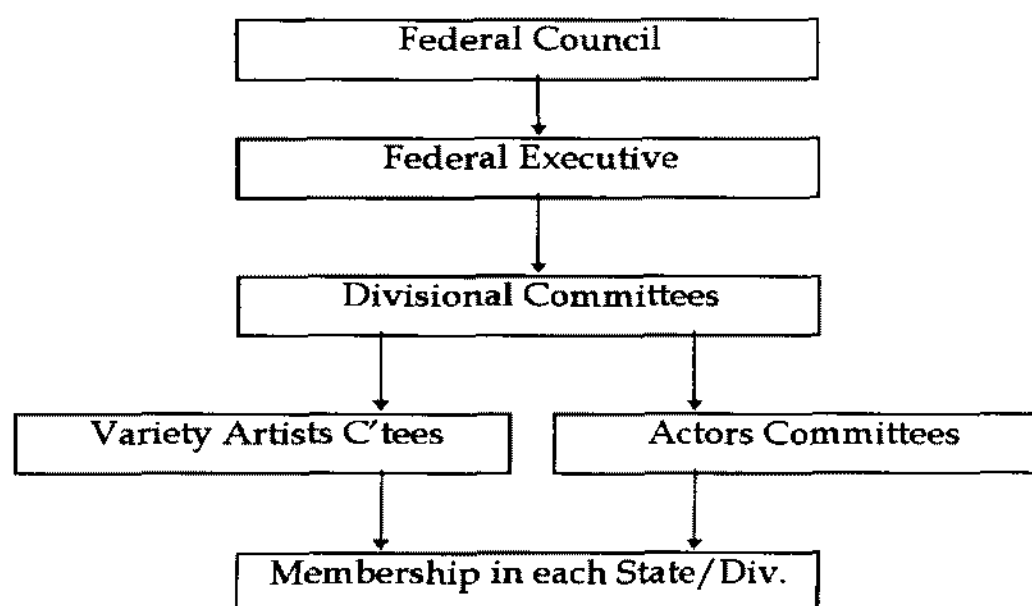
Federal council, which met once annually, was the highest governing body in Equity and consisted of the president, three vice-presidents, federal secretary, assistant federal secretary, each state/division secretary (five) and delegates from each state/division in the proportion of one delegate for each 750 financial members or part thereof.²⁶ Below federal council was the union's federal executive which was dominated by the union's full-time officers. The president, three vice-presidents, federal secretary, assistant federal secretary and the five division secretaries constituted the union's federal executive. This body met face-to-face twice annually in addition to having monthly telephone hook-up meetings. Reflecting the size of their respective memberships, state/division secretaries could exercise a proportional vote on federal executive.

Divisional committees were another layer in Equity's formal structure and consisted of the state president, two state vice-presidents, state secretary, two state executive members, and thirteen committee members (see Figure 4 below). In terms of committee composition, which met monthly, three of the members were to be other than actors or variety artists with the balance of remaining committee positions filled on a proportionate basis by actors and variety artists. Where a division represented more than 3,500 financial members an additional committee

²⁶ *Equity*, December 1985, p. 49.

member could be elected for each 750 additional financial members or part thereof, providing that such part exceeded 375 financial members.²⁷ In practice, shopfloor representatives, officially known as deputies, have played no formal role in the union's governance structures largely because of the short term and intermittent nature of performers' employment. The nature and characteristics of acting (for example, high membership turnover resulting from limited periods of employment) help explain Equity's centralised structure and lack of shopfloor organisation (Crosby, 1992; Vale, 1983).

Figure 4: Equity Organisational Chart



Not unexpectedly, the nature of performers' employment has been one aspect which has helped shape union priorities over time; work engagements are relatively short in duration which has meant that actors experience significant periods of unemployment. It is likely that this helps explain why performers, as a group, are reluctant to undertake industrial action.²⁸ Issues which impact on actors' job protection (for example, Government subsidies of the cultural and

²⁷ *Equity*, March 1990, p. 6.

²⁸ See *Sydney Morning Herald*, 10 April 1995, p. 15.

entertainment industries, regulations concerning the use of imported performers, and ensuring the provision of quotas which specify minimum levels of Australian content on radio and television) have been given an equal degree of priority alongside efforts to improve wages and working conditions by the union since the early 1980s (see Crosby, 1992).

The focus on issues such as job creation and protection and a recognition of the entertainment sector's dependence on government with respect to regulatory structures and financial support, has led to an increased concentration of Equity's resources devoted to political lobbying, particularly from the early 1980s.²⁹ The union has maintained that more could be achieved with respect to job security through lobbying efforts, than by directing its energies towards gains secured through industrial tribunals.³⁰ Political lobbying has been most apparent with, for example, the perennial issue of Equity arguing for more Australian content on radio and television. It is generally believed that without Australian content regulation, local programming would be unlikely to occur because of the cost differentials involved. The price of importing programmes from overseas is substantially cheaper for the commercial television networks than the cost of producing Australian programmes (Papandrea, 1995). This prospect contains implications for industry employment levels.

These developments suggest that Equity's membership, and hence income, is subject to fluctuations in industry conditions, which are themselves influenced by Government policies. Related to this issue, and also of traditional concern to Equity, has been trying to ensure that the regulatory framework sufficiently limits the extent of foreign ownership in the broadcasting and media industries.³¹ It is perhaps this wider political context that partly explains the breadth of Equity's organisational affiliations. The union was an affiliate of the ACTU, all state and

²⁹ Interview with M. Jacka, 19 July 1996. However, Equity's commitment to this process began much earlier. Vale contends that in 1963 the union was already seeking government funding for the arts and entertainment industries (Vale, 1983, p. 7).

³⁰ *Equity*, November 1989, p. 21.

³¹ In this regard, Equity's concerns overlap with another of the unions in the study - the AJA.

many provincial Labor Councils, the Australian Labor Party (in all states except Victoria) and the International Federation of Actors.

Equity's successes have been described as quite remarkable, one of which has been the widespread adoption of a closed shop policy among performers from 1949. It has been argued that controlling the supply of labour to management helps indicate the union's bargaining power (see Vale, 1983). The closed shop is particularly important to Equity having any likelihood of maximising its shopfloor power given that many of the sectors covered by the union are casualised, and employment is temporary. Despite the union's efforts to enforce a closed shop (see Keenoy & Kelly, 1996, p. 359), there is still a large pool of relatively unknown performers who seem prepared to work for low wages in the hope that they might become stars. Because of the oversupply of labour, Equity has attempted to restrict access to the industry by charging a high entrance fee to the union (Markey & Tootell, 1994, p. 67).

There have been three enduring challenges which have confronted the union. These are: the attempt to collectivise or organise what is essentially an individual and highly competitive occupation; the recognition of artistic merit and talent which implies differentials but at the same time ensuring acceptable working conditions for all; and the promotion of cultural freedom, diversity and expression while still advancing a highly protectionist industrial policy for its members (Vale, 1983). These challenges have manifested themselves in a number of ways. For instance, in an historical article which, among other objectives, examined the experiences of Australian entertainers working in Vietnam during the war, it was noted that while Equity was formally opposed to the war it did not prevent those entertainers seeking work opportunities and public exposure from going.³² However, Equity's opposition to the Vietnam war did place it in a dilemma when it came to ensuring adequate industrial protections were provided to the entertainers (see Jordens, 1990).

³² In a similar and more recent case, when South Africa still enforced its apartheid policy Equity discouraged but did not prohibit its members from working in South Africa (see *Equity*, September 1984, p. 29).

The Australian Theatrical and Amusement Employees Association

Although there are indications that its origins date from 1896 as an employee organisation in Victoria which represented stage hands and limelight operators, the Australian Theatrical and Amusement Employees Association (ATAEA) was officially founded in 1910 with initial coverage or jurisdiction in areas such as theatre, amusements and cinema. Over time, the ATAEEA has assumed coverage over a diverse range of areas including racecourses and sportsgrounds, theme parks, cinema, motion picture production or film, television, live theatre, and exhibition and performing arts centres. While the ATAEEA has represented a wide range of occupations, perhaps a common thread which transcends this diversity is that all of its members were non-performers. It is therefore a 'below-the-line' union. Despite the representation of some highly skilled and professional workers in the ATAEEA, the union has a blue-collar membership. This stands in contrast to the AJA and Equity which are white-collar unions.

In terms of total membership composition, two-thirds of the ATAEEA's 13,700 members were male and one-third were female in mid-1991. The diversity in sectors noted above has meant that large amounts of resources have been required to service what appear to be largely unrelated areas. That is, there is very little in common between those who work in racecourses and those who work as full-time television technicians.³³

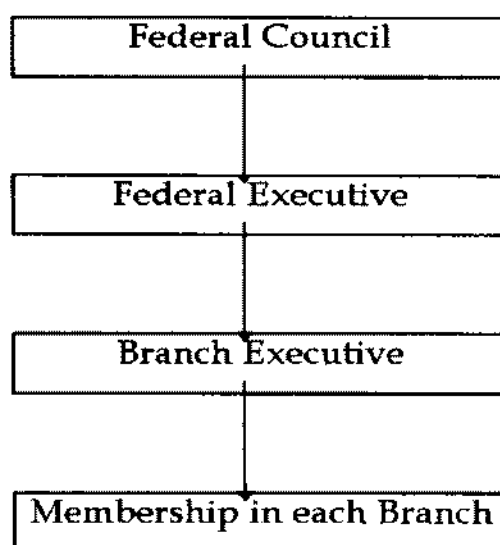
The organisational structure of the ATAEEA is as follows: the federal council was the supreme body of the union and consisted of the secretary and president of each branch (Western Australia, South Australia, Tasmania, Victoria, NSW and Queensland) in addition to the union's federal secretary. Between meetings of federal council, the federal executive (which comprised all branch secretaries and the federal secretary) undertook decisions on behalf of the union. Below this layer were branch executive committees (see Figure 5 below).

Traditionally, the union maintained a decentralised structure whereby each of the state branches enjoyed a relatively autonomous existence. For instance, the level

³³ Interview with C. Livingstone, 10 February 1995.

of membership fees levied varied across branches. This reveals that the locus of decision-making power rested at the level of the branch. However, in the mid 1980s the union was reportedly in a poor financial condition (see Chapter Four) and, when combined with ideological differences, methods and industrial priorities between the different branches, a decentralised organisational structure compounded the difficulties experienced by the ATA EA's federal leadership.³⁴ Attempts to establish national union priorities for a decentralised union with a heterogenous membership were further hampered by apparent differences in the effectiveness of particular branches with Victoria, NSW and South Australia the strongest among the union's branches. As a union which placed a high emphasis on federal industrial awards because it operated in many industries with a nation-wide focus, widespread variation in branch efficacy placed the ATA EA in a vulnerable position if employers attempted to undermine wages and conditions in some of the other (weaker) states.³⁵

Figure 5: ATA EA Organisational Chart



³⁴ Interviews with A. Mack, 22 August 1995; E. Thomson, 6 March 1996.

³⁵ Interview with E. Thomson, 6 March 1996.

Through until the 1980s the union was dominated by people who worked full-time in the cinema industry, particularly projectionists.³⁶ The historical prominence of cinema, and more recently the outdoor areas (racecourses and sporting grounds), has meant that the needs and concerns of the membership in these sectors have generally been met ahead of other sections of the union's membership.³⁷ Due to their industrial strength, regulating the wages and conditions of cinema members has tended to consume a substantial proportion of ATAEA resources. This supports one of the study's propositions that the internal control over resources gives some organisational members more power over the union than other members. From 1988, however, the cinema industry, as a traditional source of union power, began to be undermined when it was confronted by a more belligerent attitude from employers. In part, this shift was influenced by technological developments. Since the implementation of equipment that makes it possible for fewer operators to screen several movies simultaneously, employment levels for cinema projectionists have been reduced (cf. Gray & Seeber, 1996, p. 43).

By the mid 1980s the ATAEA had clearly established itself as a left wing union following the elections in 1982 in NSW and 1985 in South Australia of left wing leaderships (Burgmann, 1985, p. 87). The change of union leadership was generally set against a backdrop of organisational disarray where ideological control (left versus right) of the various branches had preoccupied much of the ATAEA's focus and energies. For instance, in NSW the struggle for control of the branch between different factions had resulted in litigation.³⁸ However, from the late 1980s the NSW branch was once again controlled by a right-wing leadership. The shift in leadership ideology in one of the union's most viable branches also rekindled some historical tensions between NSW and the left-controlled Victorian branch. Despite vitriolic opposition from the federal office which believed it was federally-owned, the NSW branch sold property in Glebe, Sydney, to pay its not inconsiderable debts. However, those opposed to the sale of the union's major

³⁶ Interview with E. Anderson, 10 July 1996.

³⁷ Interview with C. Livingstone, 10 February 1995.

³⁸ Re: Damien Stapleton And: Field & Ors. No. 125 of 1984 Industrial Law; (1983) 50 ALR 293.

asset relented somewhat when it became clear that the surplus on the sale would help fund planned changes to the union's financial structures.³⁹

With respect to methods, the union typically relied on direct negotiations with employers as a means of securing improved wages and conditions for its members and, until the late 1980s when the union began to experience an erosion of its power in areas such as cinema, largely eschewed the Australian Industrial Relations Commission. In addition, the union was not active in the political lobbying arena and, consequently, was often unsuccessful in achieving its aims whenever it participated in lobbying activities. It has been suggested by some that the ATAEA's lack of success was partly a result of the union's decentralised structure which existed prior to 1991.⁴⁰ In other words, a branch-based structure meant a small federal office with limited resources to engage in political lobbying efforts which transcended individual branch concerns. Perhaps this helps explain the union's primary focus on securing wage increases for its members. Unlike Equity with its centralised structure, the ATAEA was concerned less with job creation and protection than with achieving wage gains.

Professional Rugby League Players Union

An organisation of rugby league players was formed in 1979 in NSW and first known as the Association of Rugby League Professionals. It was registered in the NSW state jurisdiction in 1980 under the *Trade Union Act 1881* and in 1984 under section 8 of the *Industrial Arbitration Act 1940* (Dabscheck, 1996, p. 409; Way, 1993). However, registration does not necessarily imply that any union will seek to use the tribunal system; in its first ten years the Association did not make use of conciliation and arbitration as a means of achieving its goals (Dabscheck, 1991). It was not until 1990 when a new president took over leadership of the Association that use was first made of industrial tribunals although reference to the Industrial Commission of NSW has seldom occurred since that time (Dabscheck, 1993, p. 257). Following the leadership change, the Association of Rugby League

³⁹ Interview with M. Taylor, 18 November 1996.

⁴⁰ Interview with E. Anderson, 10 July 1996.

Professionals affiliated with the Labor Council of NSW in 1991, and in the same year changed its name to the Rugby League Players' Union (Dabscheck, 1991). Such developments suggest a conscious or deliberate attempt by the organisation to be more closely associated with the labour movement.

The union had constitutional coverage over professional rugby league players and, by the early 1990s, boasted a membership of around 600.⁴¹ Generally, while the union has enjoyed a high level of support from players with over 90 percent of eligible players enlisted as members, low subscription levels have hindered their ability to offer a wide range of services. The collection and usage of subscription monies has in fact been constrained by the failure of clubs to remit membership fees to the union.⁴² The organisational problems have been further compounded by the small size of the union and an absence of full-time officers to pursue its affairs (Dabscheck, 1991). By the end of 1992 the union was still to achieve an award for its members (Dabscheck, 1993, p. 273). This situation had not changed by mid-1996.⁴³

The governance structure of the Professional Rugby League Players' Union was based on a model of rank-and-file participation with an annual conference, council of management, executive and a Sydney metropolitan district committee. This last apparatus comprised the president and two player representatives from each club and, besides identifying issues and points of discussion for the council of management, could elect six players to that body. However, the dearth of metropolitan district committee meetings proved that the adopted governing structure was unworkable. In 1982 the Sydney metropolitan district committee was abolished with the resultant effect of non-attendance by player delegates at union meetings and the running of the organisation resting primarily with the executive (see Dabscheck, 1993, pp. 252-253).

⁴¹ Letter from C. Warren (MEAA) to G. Burke (Dept of Industrial Relations), 9 July 1993; *The Australian*, 7 September 1994, p. 2.

⁴² See Rugby League Players' Union financial statements, 31 December 1992.

⁴³ Interview with P. Moscatt, 21 June 1996.

Despite the organisational and resource problems faced by the union, it was nonetheless able to successfully challenge the introduction of an internal draft for players by the NSW Rugby League in 1991. A Full Bench of the Federal Court determined that an internal draft was an unreasonable restraint of trade (see Dabscheck, 1996, p. 398). As a form of labour market control, the internal draft placed those players who had not negotiated new contracts with their existing clubs following the expiration of those contracts, into a common pool to be selected or drafted by clubs. This example illustrates that while its small size has generally hampered its effectiveness, the union has still managed to achieve some of its objectives.

The Artworkers Union of New South Wales

The Artworkers Union was a small state-registered organisation affiliated to the Labor Council of NSW. Established in 1979 at a time when venues where art was being exhibited was increasingly becoming more diverse and employment opportunities in the community arts expanding as a result of government funding of art,⁴⁴ the union was formed in an attempt to raise the profile of industrial issues alongside more professional matters. This included the principle of payment of fees to artists for exhibiting their work and greater access by Australian, particularly women, artists to exhibitions generally.⁴⁵

Membership of the union was open to anyone who worked in the art industry and included art teachers, art students, gallery curators and practising artists. That is, membership was open to those artworkers who could be regarded as employees, the self-employed and even employers.⁴⁶ The inclusion of employers in an industrial organisation which purported to represent employees interests is regarded as highly unusual. The reason for their inclusion was twofold: first, in any given year artists were likely to work in a range of different employment

⁴⁴ *Artworkers News*, August 1993, p. 1; *The Australian*, 5 May 1982, p. 9. •

⁴⁵ Interviews with C. Rogers, 30 August 1996; T. Warburton, 26 September 1996.

⁴⁶ Of these categories, the self-employed were perhaps more likely to be members of the union as more than 80 percent of all visual artists and craftspeople working in Australia operate in this capacity (see Markey & Tootell, 1994, p. 27).

situations and, second, because it was a strategy to deflect arguments raised by other unions against efforts to register the union.⁴⁷ In 1989, the union achieved registration under the *NSW Trade Union Act 1881* (Markey, 1996).

The Artworkers Union was a small and poorly serviced organisation. In 1982 the union had 450 members;⁴⁸ by 1993 the union only had 180 members, of which about 80 were financial members. In effect, the union had to rely upon volunteers (it was unable to employ any full-time staff) and, related to this, did not have the organisation or resources to secure and service an industrial award (Markey, 1996). Any arts lobbying activity, which was a primary union method, was therefore undertaken by the voluntary members of the union's committee of management in the limited spare time that they had available. This meant that, practically, the concerns of the Artworkers Union were inextricably linked with the concerns of certain individuals on the committee of management.⁴⁹ In terms of the union's lobbying efficacy, it has been argued that the organisation was far from successful in managing to attract sufficient funding support from government bodies (Markey & Tootell, 1994, p. 64).

The governing structures of the union were relatively straightforward. The Artworkers Union of NSW had a committee of management (which met monthly) of up to twelve members, all of whom were elected annually. The office bearers on the committee of management, which constituted a sub-group known as the executive, included the positions of secretary, assistant secretary, treasurer and two trustees. The executive could, if necessary, reach decisions on urgent matters that arose between meetings of the committee of management subject to ratification by the committee. Decision-making on the committee of management was made by a simple majority of votes and where these were tied the chair exercised a casting vote.⁵⁰

⁴⁷ Interview with T. Warburton, 26 September 1996.

⁴⁸ *The Australian*, 5 May 1982, p. 9.

⁴⁹ Interview with T. Warburton, 26 September 1996.

⁵⁰ Constitution of the Artworkers Union of NSW, revised 1991, *passim*.

Developments towards the unionisation of artists in NSW appeared to have an impact elsewhere since artists in Victoria had sought industrial assistance from the Victorian Trades Hall Council in the mid 1980s. These artists were directed towards the then Operative Painters and Decorators Union (OPDU), a union of approximately 15,000 members.⁵¹ There was now more than one industrial organisation available to represent artworkers in Australia. Markey notes that the OPDU:

established an artworkers' committee, sought award coverage for artworkers, attempted to increase artworkers' awareness of occupational health and safety and began to offer some specialist professional services, such as superannuation and assistance with exhibitions (Markey, 1996: 32).

In addition to its activity in Victoria, the OPDU also made progress for artworkers in Western Australia by establishing a state award in 1990 but encountered resistance in Queensland where arts organisations there questioned the suitability of the OPDU to represent artists. Overall, the membership penetration of the OPDU has been similar to that of the Artworkers Union of NSW; at its peak the OPDU was reported to have enrolled only about 225 artist members (Markey, 1996). Union membership by visual art and craft workers in Australia is therefore extremely low given that the total number of such workers has been estimated at about 11,300 in the case of one study (Prosser, 1989) and 13,000 in the case of another (Throsby & Thompson, 1994).

It is argued that some explanation for the low union density among artworkers can be attributed to the view that few artists undertake their art primarily for financial gain. That is, the values of art are distinct from the values of the art market and therefore being paid for creative endeavours may contain an apparent contradiction for some artists.⁵² Many artists are unlikely to see their activity in terms of employment and, hence, see little relevance for trade union representation. Moreover, the nature of the artistic labour process is largely

⁵¹ This figure is taken from Table 8.9 of Deery & Plowman (1991, pp. 253-257).

⁵² *The Australian*, 5 May 1982, p. 9.

characterised by individualism rather than collectivism, a feature which is likely to dramatically effect the level of unionisation. Because part of an artist's self-image is concerned with their uniqueness or individual difference, this reportedly militates against the development of a collective identity.⁵³ In this context it is claimed that many artworkers believe that their "creative individuality will be compromised by a system of standard award conditions" (Markey, 1996: 29). Long been regarded as a legitimate domain of trade union activity, industrial agreements which attempt to regulate artists' employment appear to have limited scope for recruitment purposes. This further suggests that expanding the existing resources base of the Artworkers Union was likely to prove difficult under the best of circumstances.

ABC Staff Union

The Australian Broadcasting Commission Staff Association was first registered as a federal organisation in 1938 but in early 1985 changed its name to the Australian Broadcasting Corporation Staff Union (hereafter ABC Staff Union). In addition to being subject to the requirements of federal industrial legislation, the organisation was also subject, due to its location in the state sector, to the conditions of the *Public Service Arbitration Act*.⁵⁴

The ABC Staff Union was a house union by virtue of it having a single employer (Plowman & Spooner, 1989, p. 119). There is some debate as to whether or not staff associations or unions can be classified as authentic employee organisations. Keenoy & Kelly (1996, p. 359) argue that because they have no independent organisation and are financially dependent on the one employer,⁵⁵ they are unlikely to pose any real threat to the employer. Therefore, Keenoy & Kelly contend that staff unions are not 'genuine' unions. However, this claim is not unequivocal. The evidence available for the ABC Staff Union actually suggests

⁵³ Interview with C. Rogers, 30 August 1996.

⁵⁴ See accompanying notes to Noel Butlin Archives Centre, Australian National University, Canberra, file N120.

⁵⁵ The ABC Staff Union received all of its subscription income by way of payroll deductions (see Huntley, 1985, pp. 1-2).

something different; the union has generally been described as having a “visible and energetic presence in the ABC” (Jackson & Yerbury, 1984: 83). It had coverage of most occupational groups within public broadcasting with the exception of news journalists, performers, musicians, and senior executives, and enjoyed relatively high levels of membership within the Australian Broadcasting Corporation (Huntley, 1985, pp. 1-2).

Like a number of the other unions in the study, the ABC Staff Union has been vulnerable to shifts in Government policies and priorities. There has reportedly been no real net increase of state funding of public broadcasting since the mid 1970s; periods in which levels of funding have declined in the ABC have been matched by membership (and financial) stagnation for those unions with members in the ABC.⁵⁶ By the mid 1980s the trend in membership figures had clearly revealed a deteriorating pattern; in 1985 the ABC Staff Union had 4,257 members, down on a figure of 5,035 members in 1976 (Huntley, 1985). It has been estimated by the union that approximately one-third of its membership are women (see Rawson & Wrightson, 1985, p. 41). The funding cuts, themselves a catalyst for organisational restructuring within the ABC have, on occasion, fuelled demarcation disputes with other unions such as the AJA in the public broadcaster.⁵⁷ Such disputes, for example, have involved differences as to whether presenters or interviewers should be classified as journalists; the position of the ABC Staff Union has been that they should not (Huntley, 1985, p.2). Consequently, inter-union relations have periodically been strained.

Finally, like many trade unions, the organisation has had a tendency to rely on full-time rather than elected officers to manage its affairs. This was reflected in the union’s structure where it had an appointed full-time federal chief industrial officer; the various branch secretaries, elected for two year terms, were honorary positions. As appears common to a number of entertainment unions in Australia, the organisation’s supreme governing body - federal conference - met every two years (see Huntley, 1985).

⁵⁶ *Equity*, May 1991, p. 8.

⁵⁷ See *Workforce*, no. 528, 20 February 1985, pp. 2-3.

Printing and Kindred Industries Union

This trade union was a medium to large blue-collar organisation with members in the printing, packaging and manufacturing industries. While these industries suggest a strongly male-dominated organisation, women still constituted a not insignificant proportion of total membership; in 1983-4 they made up 20 percent of the union's membership (Rawson & Wrightson, 1985, p. 14). The membership of the left wing Printing Kindred and Industries Union (PKIU) grew steadily over the first seventy years of this century reaching a peak of 59,000 members in 1974. Since that time, however, its total membership has experienced a steady decline.⁵⁸

Of its total membership of about 45,000 in the early 1990s, approximately 10,000 worked in newspapers and magazines with the remainder employed in commercial printing and production and manufacturing. It is this overlap with another union - the AJA - which draws the PKIU into the analysis, albeit in a more secondary manner. Unlike the AJA, the PKIU in newspapers reportedly had a tendency to negotiate industrial agreements that were maintained by state tribunals. It was argued by one former PKIU federal secretary that a state-based orientation reflected a desire within PKIU branches to support a traditionally strong and well-organised group of members in metropolitan daily newspapers in order to engender branch political support.⁵⁹ Shopfloor union organisation was sophisticated and printers' in newspapers were organised into structures known as chapels.

Musicians Union of Australia

This union was first registered in 1911 under the *Conciliation and Arbitration Act 1904* although there are indications that an employee organisation for musicians in Australia pre-dated this by a number of years (Jadeja, 1994). In 1990 the union had about 13,000 members in total and its constitutional coverage extended to such groups as musicians, copyists, composers, vocalists, conductors, musical

⁵⁸ *Printing Trades Journal*, March 1994, p. 17.

⁵⁹ Cited in *The Journalist*, February 1989, pp. 6-7.

producers and musical arrangers. The organisation largely represents male rather than female artists; in 1983-84 only 10 percent of the union's membership were women (Rawson & Wrightson, 1985, p. 14). Not unexpectedly, women are not predominant in positions of leadership within the union.

The Musicians Union is quite diverse in terms of its membership composition, with symphony orchestras, jazz musicians, contemporary rock bands and solo artists represented. While it has been estimated that symphony orchestras account for between 10 and 25 percent of the total membership they contribute a disproportionately high share of the union's income due to their typically full-time employment status and closed-shop arrangements.⁶⁰ The orchestras are therefore an influential group within the union. In contrast, rock musicians, their careers often characterised by casual and intermittent employment, constitute a larger but more difficult area to recruit for the union. The depiction of musicians as independent contractors has traditionally presented the union with an intractable problem as it has meant that the union has faced substantial hurdles in trying to regulate and enforce its members' wages and conditions (Woodward, 1991).⁶¹ Under the federal *Industrial Relations Reform Act 1993*, workers deemed to be contractors were beyond the jurisdiction of the Australian Industrial Relations Commission.

The union operates a decentralised structure in the sense that each of its nine branches - Perth, Adelaide, Melbourne, Hobart, Launceston, Sydney, Broken Hill, Newcastle and Brisbane - receive subscriptions directly from their own memberships in order to fund branch-based activities. The federal office of the union is supported by a capitation fee from each of the branches and income received from a levy on overseas artists temporarily working in Australia. Consequently, the branches enjoy a relatively high level of autonomy and the

⁶⁰ Interviews with B. Evans, 29 April 1996; M. Stead, 9 July 1996.

⁶¹ To place this problem in a wider context, commissioned research has found that 77 percent of musicians are principally employed as self-employed or freelance workers (see Throsby & Thompson, 1994, p. 19).

federal office of the union employs very few industrial staff.⁶² Not surprisingly, the union does not produce a national journal or magazine; nor does it prepare a national annual budget. Apparently, neither do many branches prepare written financial budgets. One result of the union's branch-based structure has been considerable variation in the level of subscriptions levied and, related to this, in the usage to which this income is put.⁶³ For instance, there is widespread discrepancy in the levels of property and cash assets held by different branches of the union.

To some extent, the prevailing regional organisation reflects the largely fragmented employment structures of its members. Apart from some notable exceptions, the majority of the union's members mainly work together in small groups at venues such as clubs and hotels. This suggests that the branch level, in particular, is required to play an integral role in the regulation of musicians' wages and conditions. However, the structure also implies that the union is less well placed to accommodate and influence broader policy issues that transcend individual branch concerns. A small federal office has limited resources with which to engage in lobbying efforts over government funding of the arts, copyright matters, regulations concerning the level of Australian content on radio and television, and questions of ownership, all of which are matters that shape the general landscape of musicians' working lives.

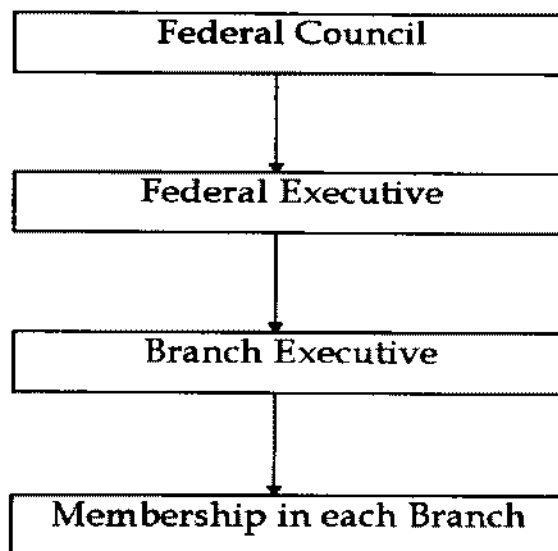
The supreme body of the Musicians Union is its federal council, which consists of the organisation's five federal officers, and the secretary and president of each branch, provided the branch had 200 or more members. Branch voting power on federal council is determined on a proportional basis according to the number of financial members within the branch. The federal executive has the responsibility for managing the affairs of the union between the (at least) annual meetings of federal council (see Figure 6 below). The federal executive is dominated by the

⁶² Interviews with P. Woodward, 6 February 1996; J. McAuliffe, 31 May 1996. Interestingly, musicians' unions elsewhere also operate with a decentralised structure. In the American Federation of Musicians, power resides in the various locals (see Seltzer, 1989).

⁶³ Membership fees were typically quite low and ranged from \$100 (Adelaide branch) to \$160 per annum (Sydney branch). See Minutes of Musicians Union federal conference meeting, 28 June-2 July 1993.

union's full-time officers, almost all of whom have previously been practising musicians. This suggests that the union's members regard it as imperative that elected officers are representatives in the sense that they share many of the characteristics of those they purport to represent. The federal executive comprises the federal secretary and the secretaries of all branches with more than 200 members. Unlike the federal council, where a weighted system of representation operates, the voting allocation on the federal executive is more uneven because it tends to favour particularly small branches such as Launceston, Hobart, Broken Hill and Newcastle, as branch secretaries are entitled to exercise one vote for every 1,000 members or part thereof. Because larger branches such as Perth, Adelaide and Brisbane represent fewer than 1,000 financial members they still have, in this sense, the same voting power as the union's smallest branches, despite having considerably more members. The structural imbalance in an already decentralised union is likely to contribute to a situation where the organisation will find it difficult to harness inter-branch unity.

Figure 6: Musicians Union Organisational Chart



Another salient feature of the structure of the Musicians Union is that honorary members of the union (to be eligible for consideration members must have at least 25 years membership), while not required to pay subscriptions, are treated

as financial members under the rules and, as such, are entitled to vote on any matter.⁶⁴ Thus, the membership statistics of the union are likely to overstate the number of members who actually pay fees and therefore provide the organisation with financial resources. Accurate membership levels are difficult to ascertain because of the union's decentralised structure. However, at July 1994 the union had 14,122 members of which there were 5,691 financial, 1,187 honorary/life, and 7,244 unfinancial members.⁶⁵

Two of the union's stated objectives are "to promote industrial peace and efficiency by all amicable means such as conciliation, arbitration, or the establishment of a permanent tribunal" and "to prevent strikes and lockouts".⁶⁶ It is arguably the case that the union has little choice but to embrace these objectives because of the labour process whereby many musicians work either as solo performers or in small groups or bands. The nature of work organisation may militate against the development of a broad collective identity, which tends to support the proposition that where collectivism is weak industrial action is likely to be rare (Batstone *et al.*, 1978, p. 34). Thus, the union's objectives have been partly shaped by the tendency to individualism, and it is perhaps not surprising that the union has sometimes found itself at odds with the broader labour movement. For example, while the *Employee Relations Act* 1992 introduced in Victoria on 1 March 1993 encouraging individual employment contracts was strongly opposed by peak union organisations and other entertainment-based trade unions, the Melbourne branch of the Musicians Union recommended that members sign such contracts.⁶⁷

⁶⁴ The structural details of the union are derived from various sections of the *Musicians Union of Australia Rules*, Sydney, 1990.

⁶⁵ Australian Industrial Registry, file no. D20009/94, 129V, letter from J. Baker to A. Britton, 22 December 1994.

⁶⁶ *Musicians Union of Australia Rules*, Sydney, 1990, rules 4a and 4b.

⁶⁷ See *The Alliance* (magazine of the MEAA), November/December 1992, p. 4; *The Australian*, 22 January 1993, p. 4.

Conclusions

This chapter has provided details about two related aspects: first, the nature of work and the employment relationship in the media and entertainment industries and, second, union structures and primary methods of operation for those unions in the study. It has also presented selected data about the membership composition, relevant affiliations and key historical events for the unions. This information provides a necessary backdrop for the period of trade union merger activity involving the MEAA. Important historical and contemporary details about the MEAA's constituent trade unions and those organisations which did not merge with it, allows greater understanding of why these mergers occurred or failed to occur.

The entertainment and arts sectors are characterised by job insecurity stemming from casual and intermittent employment, chronic and persistent unemployment, deferred compensation systems (for example, residual rights and secondary usage issues), a focus on individualism and short playing lives in areas such as professional sports. Technological developments have been a major factor influencing the nature of work and employment. Technical change, however, has not affected all workers evenly; some, such as those in motion picture and television production, have been differentially affected according to whether individuals work in creative or talent jobs, or in craft and technical employment. Labour market segmentation and diversity within groups such as performers and professional sports players was also evident.

For a number of the unions in the study the nature of entertainment work have shaped their structures and principal work methods. With few exceptions, the unions are highly dependent on federal and state governments in a number of ways. These include funding arrangements (incentives and tax concessions), copyright laws and the provision of regulatory structures concerning media ownership and Australian content. This means that changes in government policy can dramatically influence the environments of the various trade unions (cf. Murphy, 1997, p. 538). It was shown, for instance, that the ABC Staff Union experienced declining membership levels following funding cuts to the public broadcaster.

Equity is one of the few key unions in the study which operated a centralised structure. This was related to the priority ascribed by the organisation to wielding power at a national level of lobbying. Equity has been heavily engaged in issues which impact on the job security of performers and accords equal resources to this goal as that provided to seeking to improve wages and working conditions. In this context, maintaining a closed shop is an important feature of Equity's access to membership resources. The ATAEA and the Musicians Union have also been concerned with issues such as copyright, prescribed levels of Australian content and the regulation of imported artists but appear to have less success in this area than Equity. Perhaps this could be attributed, at least in part, to the decentralised structures of these unions.

It was seen too, that a focus on an individual rather than collective identity has impacted on the effectiveness of some of the unions. The ACIAA and the Artworkers Union of NSW, for instance, represented groups of workers largely disinterested in the collective ideals of unionisation. In part, this was related to a strong interest by those eligible to join both organisations in professional rather than industrial matters. Consequently, both unions have struggled to achieve gains of any magnitude and, in the case of the ACIAA, was de-registered for a period of time through its inactivity. The AJA has also had a strong interest in pursuing professional matters such as training and education alongside more traditional industrial concerns. This has contributed to the union's eschewal of being linked to the political and industrial wings of the labour movement and, for many years, an organisational self-concept of being *sui generis*. More recently, there has been dissatisfaction directed at the union's leadership. This has stemmed in part from increasing numbers of freelance journalists. It is of some interest that a union which represents workers in a single occupation (journalism) may, in one sense, be less than internally cohesive. It would appear that heterogeneity in industry sector and employment status (full-time or freelance) may be of more significance in explaining this phenomenon than occupation *per se*.

Having introduced the various unions in the study the following chapter turns to address the first stage of the trade union merger process - the motivation or

propensity to merge.

CHAPTER 4: MERGER MOTIVATIONS

Introduction

The previous chapter provided selected details about the nature of work and employment in arts and entertainment, and the unions' structures, methods and characteristics. The current chapter builds on this by examining the factors that gave rise to the consideration of merger by the unions in the study. Of these unions, only the Musicians Union of Australia did not eventually merge its organisation. Despite this outcome, there were still forces which contributed to the discussion of merger between the Musicians Union and other trade unions. The motivations for merger included both internal and external factors impacting upon, for example, current or anticipated changes in union membership levels and/or finances. The evidence contained in the chapter demonstrates that previous theories of union restructuring which focus on either internal or external forces are insufficient to explain trade union mergers. This is also the starting point for establishing the central argument of the thesis: that actual or perceived changes in unions' environments which threaten critical resources required for organisational survival and viability, is a prerequisite for trade union merger.

Given that the primary focus of interest is on those unions involved in the formation of the Media, Entertainment and Arts Alliance (MEAA), more attention will be spent on the factors influencing merger among these organisations. These include the Australian Journalists Association (AJA), Actors Equity (Equity) and the Australian Theatrical and Amusement Employees Association (ATAEA). Reflecting the chronology of events (see Figure 1 on page 6), the chapter will focus first on the merger motives of the ABC Staff Union and the Printing and Kindred Industries Union (PKIU) before examining the case of the Australian Commercial and Industrial Artists Association (ACIAA). The propensity to merge for the AJA, Equity and the ATAEEA are then examined. Attention then shifts to the Professional Rugby League Players Union, the Artworkers Union of

NSW and the Musicians Union. The final section summarises the findings contained in the chapter.

ABC Staff Union

It has previously been posited that small unions which have members concentrated in a relatively narrow range of occupations are particularly vulnerable to environmental change (Plowman & Spooner, 1989, pp. 106-107). The proposition could be further extended to include the notion that the fewer the number of employers, the more contingent a union is likely to be on the fortunes of those employers and, hence, more vulnerable to contextual forces. The ABC Staff Union is one such organisation which might fit this situation since it deals with only one employer - the Australian Broadcasting Corporation (ABC).

As a public broadcaster, the ABC was entirely reliant on state support and funding. Consequently, membership of the ABC Staff Union, more so than any other entertainment-based union, was dependent upon the federal government. By the mid 1980s the ABC Staff Union perceived that there was growing government antipathy towards the ABC and that this would not abate; the union, for example, became increasingly pessimistic about foreshadowed budget reductions to national broadcasting services.¹ Previous funding cuts had already had an impact on staffing levels as the union had steadily lost membership through the 1980s. Although the ABC was approximately 85 percent unionised, prospects for any membership growth other than through merger, appeared limited. Out of a total (but declining) workforce of less than 6,000 people, the ABC Staff Union had 4,200 members in 1985 (Huntley, 1985). Wider developments aimed at increasing trade union size in the late 1980s, that is, the formation of large unions by the ACTU and supported by legislative change, further increased the vulnerability of the ABC Staff Union. While the 1,000 member rule introduced by the *Industrial Relations Act 1988* did not directly

¹ Internal document from M. Aarons to ABC Staff Union federal executive, 28 July 1987.

threaten the ABC Staff Union, the formation of large industry-based unions did. The ACTU's *Future Strategies* document clearly set out the 'industries' into which existing unions would fit. In an environment designed for widespread union restructuring, the union believed that combining with other unions would enable it to become more powerful and better resourced.²

Printing and Kindred Industries Union

While only about 20 percent of the Printing and Kindred Industries Union's (PKIU) membership were in the newspaper industry (see previous chapter), the introduction of new technology in newspapers had a particularly detrimental effect on the employment levels of printers' (see also Noon, 1994 in the United Kingdom for a similar outcome). The introduction of a computerised editorial process (more commonly known as 'direct input' technology) in newspapers had eliminated the need to re-type or re-key news copy into the production process as was previously the case.³ Following a key decision by Mr Justice Cahill in the NSW Industrial Commission in 1976 (see Lloyd, 1985, p. 276), much of the work previously undertaken by printers was transferred to newspaper editorial staff (journalists).

The resultant decline in PKIU membership in newspapers was replicated in other industries, such as manufacturing and cardboard packaging, where the PKIU had members. Table 5 below illustrates how the PKIU has, since its membership peak in 1974, undergone a decline in membership. Between 1974 and 1988 the union lost over 10,000 members, or 18 percent of its total. Such trends clearly had an influence on the desire of the PKIU to substantially increase its membership.

² Letter from M. Aarons (ABC Staff Union) to M. Crosby (Equity), 3 June 1988.

³ The production system in use prior to the introduction of computerisation in newspapers was known as the 'hot metal' form of production. For a description of this process refer to Martin (1981, pp. 26-29).

Table 5: PKIU Membership, 1970-1993

Year	Total Membership	Percent Change
1970	54,881	n/a
1974	59,159	+ 7.8
1976	52,678	- 11.0
1978	51,681	- 1.9
1980	51,174	- 1.0
1982	51,134	steady
1984	48,194	- 5.7
1986	49,173	+ 2.0
1988	48,751	- 0.9
1990	46,149	- 5.3
1992	43,370	- 6.0
1993	40,050	- 7.7

Source: Printing Trades Journal, Autumn Quarter, March 1994, p. 17.

As was the case with the ABC Staff Union, the motivation to merge was influenced by the ACTU's industry union blueprint. *Future Strategies* clearly envisaged an industry union based on printing and publishing (ACTU, 1987, p. 52). While membership had been falling since 1974, the leadership of the PKIU only became mobilised in the late 1980s when it began to consider merger as a means of increasing its organisational power. This is consistent with hypothesis two that unions will respond more to the demands of those organisations and constituencies in the environment (such as the ACTU) that control critical resources.

Australian Commercial and Industrial Artists Association

The historical inactivity of the ACIAA was documented in the previous chapter. It was noted there that the union only began to organise itself when the more militant PKIU sought to assume wider coverage in the advertising industry. It appeared too, that some large employers in the industry were equally interested

in keeping the PKIU from extending its award coverage as evidenced by payroll deduction arrangements with the ACIAA.

Following the struggles with the PKIU which eventually led to the re-registration and hence, protection, of traditional ACIAA coverage, membership within the ACIAA again waned and the union became largely inactive. Consequently, union finances deteriorated to the point where the sole full-time officer was retrenched and all union work was undertaken by honorary officers. It was against this background that interest in merger began to gather momentum. A change in the minimum level of membership required for federal union registration to 1,000 members under the *Industrial Relations Act 1988* always meant that, in the context of the nature of its membership, the ACIAA was going to struggle to reach this threshold level through recruitment efforts alone.⁴ Previous attempts to recruit members by enlisting the support of the advertising industry had, for instance, resulted in very few gains.

While the leadership of the ACIAA held some reservations, they nonetheless felt there was little choice but to consider a merger. Its motives, therefore, appeared to be entirely defensive (see Undy *et al.*, 1981). Mindful of the historical interest by the PKIU in extending its jurisdiction, the legislation was regarded as the primary stimulus for merger by the ACIAA.⁵ Safeguarding the existence of the union through merger would continue to ensure the PKIU's expansionist plans in advertising remained frustrated. Combining with another union would not only ensure that the union survived, but that it would also alleviate the general external and internal pressures faced by the ACIAA. In particular, a merger might better allow the union to service its membership through the provision again, at some future point, of full-time industrial staff.

⁴ Interview with J. White, 9 August 1995.

⁵ Interview with A. Paull, 31 October 1995.

The Australian Journalists Association

From the mid 1980s the industrial climate in which the Australian Journalists Association (AJA) operated underwent considerable change. The newspaper industry was increasingly characterised by substantial turbulence or volatility as proprietors sought to restructure and rationalise their operations. The extent of the industry changes can be seen in Table 6.

Table 6: Newspaper Industry Restructuring and Rationalisation, 1986-1991

Year	Event
1986	- Herald and Weekly Times purchases Australian Consolidated Press' suburban and regional newspapers. - Herald and Weekly Times purchases suburban newspaper group, Leader Associated Newspapers. - The National Times closes. - Saturday edition of the Herald (Melbourne) closes. - Attorney-General Michael Duffy announces new restrictions on cross-media ownership.
1987	- News Ltd. acquires Herald and Weekly Times. - Business Daily closes. - Western Mail closes.
1988	- The Telegraph (Brisbane) closes. - The Times on Sunday closes. - The Sun (Sydney) closes.
1989	- The Observer (Melbourne) closes. - The Sunday Press (Melbourne) closes.
1990	- Mathews Inquiry, Victoria. - The Daily Telegraph (Sydney) closes.* - The Daily Mirror (Sydney) closes.* - The Sun (Melbourne) closes.** - The Herald (Melbourne) closes.** - The Daily News (Perth) closes. - Fairfax Group in receivership.
1991	- The Sunday Herald (Melbourne) closes. - The West Australian in receivership.

* A combined 24 hour newspaper, the Daily Telegraph Mirror (Sydney) launched.

** A combined 24 hour newspaper, the Herald Sun (Melbourne) launched.

Sources: Communications Law Centre; *The Age*, 5 August 1991.

While the jobs of full-time workers were often safeguarded in the process, the same was not the experience of casual employees who were typically the first group displaced by the changes.⁶ This meant that the industry restructuring from the mid 1980s did not unduly affect the membership levels of the AJA (see Table 7 below). The rationalisation did, however, contribute to a perception within the union that the media industry was becoming increasingly concentrated and occupied by fewer but stronger employers. For example, by early 1991 media proprietor, Rupert Murdoch, reportedly controlled about 70 percent of Australia's newspaper production.⁷ Indeed, the concentration of media ownership in Australian newspapers is one of the highest among Western developed countries (Brown, 1986). The industry rationalisation impacted upon organised labour as the AJA found itself confronting new pressures and challenges.⁸ The union's leadership increasingly came to recognise the vulnerability of their organisation to the developments. Initially, the move by the AJA to consider merger was underpinned by attempts to strengthen itself against the trend of newspaper takeovers and the potentially narrowing of the employment base that this posed.⁹

The closure of newspaper titles and job losses in commercial television broadcasting were themselves set against a backdrop of award restructuring

⁶ See *The Journalist*, November 1990, pp. 1-2; July 1991, p. 2.

⁷ See *Sydney Morning Herald*, 11 March 1991.

⁸ Apart from its newspaper area, the AJA had also experienced problems in television broadcasting as all three commercial stations had substantially reduced the number of news and current affairs staff they employed during 1990 (*The Journalist*, February 1991, p. 2). The changes in different industry sectors are not unrelated as there is a high level of cross ownership between newspaper and broadcasting interests (see Brown, 1986; Gray & Seeber, 1996).

⁹ Minutes of the AJA federal council meeting, Bronte, 2-7 November 1986; Interview with C. Smyth, 8 February 1996.

in Australian industrial relations.¹⁰ Award restructuring involved the union in devoting substantial financial resources to the process of integrating and modernising their industrial awards in sectors which were already in a state of high flux. This entailed, among others, the provision of training to ensure that journalists could secure access to career paths. To help meet the demands of award restructuring introduced in early 1987, a position of national education officer was created by the AJA in 1989.

The complexities surrounding both industrial and award restructuring placed the union's resources under increased strain. Award restructuring, for instance, expanded the range of AJA activities, in turn, increasing the union's administrative costs. Consequently, the state of its finances quickly became a source of concern for the AJA although there was some attempt to apportion blame for the current situation on the previous federal union administration which, reportedly, had consistently over-spent its budget between 1980-1986.¹¹ Initially, the AJA, through the exercise of strategic decisions by its leaders, sought to adapt to its circumstances by both restricting the amount of travel undertaken by its full-time staff and establishing a target of 85 percent financial membership for each of its eight branches. Further, the AJA sought to remedy the problem of a strained resources base by raising subscription fees by around eight percent and trying to expand both its membership catchment area and its membership base. For example, journalism students became eligible for AJA membership and the union planned a national recruitment campaign for 1990-1991 to achieve 100 percent membership.¹²

In addition to these actions, the union maintained its commitment to a centralised wage fixation system and was highly cautious about embracing a

¹⁰ Australian Conciliation and Arbitration Commission, National Wage Case Decision, 10 March 1987, Print G6800; AJA Circular Memo 183/89, 18 August 1989.

¹¹ AJA Circular Memos 67/88, 11 March 1988; 100/88, 18 April 1988.

¹² *The Journalist*, March/April 1989, p. 6; July 1990, p. 3.

decentralised or enterprise-based system.¹³ Such a transition in collective bargaining structures would obviously contain resource implications for the union as it would have to negotiate and service more industrial documents. Survey research conducted in the early 1980s found that the AJA already had 45 federal and state awards as well as over 50 industrial agreements to service (see Plowman & Spooner, 1989, p. 116). Despite the union's stated preference for a centralised system, there were indications by the early 1990s that some leading newspaper publishers were actively seeking enterprise agreements.¹⁴ Such developments were only likely to continue and therefore increase the pressure faced by the union under a more decentralised system.

Despite such remedial actions as setting targets for financial membership, the AJA still faced problems with the demands being placed on its resources. The union's federal executive, for example, was operating in deficit in the late 1980s and early 1990s and there appeared to be few options in the short term other than to again increase subscriptions. Membership subscriptions or fees, which accounted for 91 percent of total union income in 1990-91 and stood at 40 percent of one week's award rate of pay, were to subsequently rise to 42 percent (from 1 July 1991) and then 44 percent of one week's salary (from 1 July 1992).¹⁵ Along with subscription increases the union looked at further ways to reduce its overall expenditure including those associated with travel, meetings and union publications.¹⁶ Partly reflecting the need to better manage organisational expenditure, the union's federal council in 1991 also resolved to abolish the system of branches funding the federal organisation. The union subsequently moved to a centralised model whereby branch budgets were approved and funds disbursed to branches by the federal organisation.

¹³ *The Journalist*, January 1990, p. 9; May/June 1992, pp. 1-3.

¹⁴ *Workforce*, no. 877, 8 May 1992, p. 8.

¹⁵ *The Journalist*, June 1991, p.7; April 1992, p. 9; AJA Circular Memo 388/91, 13 December 1991.

¹⁶ Minutes of AJA federal finance committee meeting, 5 December 1991.

The membership patterns of the AJA since 1960 are outlined in Table 7. Despite the turbulent changes in its environment noted above, the data shows that between 1980 and 1991 the AJA experienced a nearly 23 percent increase (n = 2,307) in its total membership. In addition, the table reveals that by 1990 membership had reached historically unprecedented levels and that the proportion of members who were financial was also high. The AJA believed the growth in membership was largely the result of more women working in the media industry.¹⁷ While the data reveals a slight fall in membership between 1990-91, this fails to take into account the additional 585 (total) members brought into the AJA by the absorption of the Australian Commercial and Industrial Artists Association (ACIAA) in December 1991. Thus, in real terms, membership had fallen by over 600 with the decline principally attributed to the impact of the economic recession.

Table 7: AJA Membership (1960-1991)

Year	Financial Membership	Total Membership	Financial Members (%)
1960	4,375	4,855	90.1
1970	5,846	7,058	82.8
1980	7,862	10,252	76.7
1984	8,945	11,320	79.0
1985	9,525	11,935	79.8
1986	10,115	12,256	82.5
1987	10,212	12,499	81.7
1988	10,422	12,447	83.7
1989	10,787	12,380	87.1
1990	11,058	12,611	87.7
1991	10,965	12,559	87.3

Source: AJA Circular Memos 271E/90, 14 September 1990; 265/91, 23 August 1991.

¹⁷ *The Journalist*, October 1990, p. 2.

In the wider context of change being generated among unions by both ACTU and federal government policy and the impact of award restructuring initiatives, the AJA believed that the development of a strategy was needed to help preserve its future (cf. Child, 1997). Adding to this pressure of forming an organisational strategy were the activities of employers who were becoming increasingly concentrated in terms of media ownership and the concomitant rise of large, and often, international corporations (noted earlier). The alternative of doing nothing did not, therefore, appear to be an option for the AJA.

To address the problems that it confronted, the federal executive of the union adopted a three-pronged strategy which, in conjunction with each other, would see the union better placed to deal with its environment. The overall strategy was one of consolidation, expansion and merger.¹⁸ Consolidation involved both shoring up the existing membership base of the union and ensuring there were high levels of financial membership. Expansion sought to move the AJA into recruiting the largely non-unionised sectors of the union's coverage such as commercial television, public relations and the book publishing industry, while merger was seen as strengthening the overall position of the union in media. The merger component of the strategy was envisaged as allowing the sharing of resources between the merged unions while simultaneously ensuring the preservation of professional identities through autonomous structures. Embedded within the overall strategy, which was formally adopted by the union's federal council in 1991, was the notion of organisational survival through growth.

From this strategy, expansion or recruitment was generally regarded as helping to prepare and mobilise members for the formation of an industry union through merger activity. As an interim step, it was also envisaged that a recruitment campaign would substantially increase the size of the AJA and to

¹⁸ See AJA Circular Memos 278/90, 10 August 1990, pp. 9-11; 136/91, 24 May 1991.

this end some quite sophisticated recruitment techniques and approaches were outlined.¹⁹ However, in the short term at least, recruitment efforts appeared to have a negligible result (see Table 7 above).

Notwithstanding the new strategy, the idea of merger had already gained momentum within the union. The Victorian branch of the AJA had initially put the proposal of merger to the biennial meeting of federal council in Sydney in late 1986. The second largest branch was, and remained, probably the most supportive among the AJA's branches of combining with other unions. This desire tended to be supported by rank-and-file journalists in Victoria and a group of pro-merger members largely, but not entirely, from *The Age* newspaper in Melbourne referred to themselves as the 'Journalists' Action Group'. This group made a strong case for merger.²⁰ In fact, this group believed that the federal office of the AJA needed to do more to promote debate and expedite the process of merger as a matter of urgency.

The other critical factor that promoted merger among the union was the ACTU's restructuring plans. As a non-affiliate of the ACTU, there was a strong likelihood that the union risked becoming marginalised in the reform process as affiliated unions sought to fashion industry organisations. A failure to respond to the changes introduced by the ACTU could conceivably threaten the on-going viability of the AJA.

From the late 1980s the industrial relations landscape in Australia had become increasingly complex and demanding (Chaison, 1996). For example, the AJA was required to deal with such issues as productivity improvements, award restructuring, superannuation and training, all of which consumed a substantial amount of resources in terms of both negotiations and industrial tribunal proceedings. At the same time, increasing pressures were being

¹⁹ AJA Circular Memo 136/90, 11 May 1990.

²⁰ *The Journalist*, July 1990, p. 10.

placed on the union by members who were demanding a wider range of professional and research services. Such developments were and would continue to negatively affect the resources base of the AJA, particularly as the union was a non-affiliate of the ACTU. Merger would, it was believed, also provide the AJA with economies of scale and therefore be able to better address the demands placed upon it.²¹ In turn, this would allow the provision of additional membership services, more workplace visits, a more rapid response to member inquiries, and a stronger influence in political and industrial campaigns.

Actors Equity of Australia

Michael Crosby, federal secretary of Equity between 1982-1991, had, since at least 1979, actively promoted the idea of merger within the union.²² In his discussion paper, Crosby identified economic criteria as important in explaining the propensity to merge. He did not, for example, consider that a union with just over 10,000 members (see Table 8 below) was able to derive economies of scale in order to operate branch offices efficiently on a national scale.²³ The more viable state branches - NSW and Victoria - were inevitably required to cross-subsidise Equity operations in the smaller states (cf. Willman & Cave, 1994). Merger was therefore seen as pooling resources, particularly administrative resources (for example, computing systems, real estate, clerical functions), between unions in order to make collective savings. The savings could then be used to greater effect in membership servicing.²⁴

²¹ See *The Journalist*, August 1990, pp. 6-7, 10.

²² M. Crosby, 'Amalgamation in the Entertainment Industry: A Discussion Paper', unpublished mimeo, 28 May 1979.

²³ This concern was later reinforced with the publication of such documents as *Future Strategies for the Trade Union Movement* (1987) by the ACTU which gave notice of the need for trade unions to substantially increase their size.

²⁴ The original arguments raised by Crosby were often repeated. See, for example, *Equity*, May 1991, pp. 1-2; August 1991, p. 8.

Further, gains in both political and industrial strength were envisaged as a result of merger. Equity regarded intervention in government and government-related bodies on behalf of its members as a particularly important role that it played. Merger was seen as improving the ability of the union to influence government policy by more efficient deployment of its collective resources in political lobbying campaigns.

The merger ambitions of Equity's federal secretary were enhanced by the financial difficulties the union faced by the early 1980s. Equity had, for example, experienced an operating deficit for a number of consecutive years. Measures were taken to address the situation and included: reducing union operations in Western Australia where expenditure was exceeding income, selling property in South Australia, deferring the purchase of major equipment needs and increasing member entrance fees and subscriptions. Union finances had improved somewhat by 1984 but following a lapse in financial health in 1985, subscriptions were again increased.²⁵

Prudent financial management from the mid 1980s ensured that Equity was able to approve of certain capital expenditure items and increase staff salaries during 1987. However, in order to keep pace with the rate of inflation and to cover some unexpected expenditures, entrance fees and subscriptions were raised once more in 1987.²⁶ The union had to still act cautiously with its finances as operating income was contingent upon broader industry conditions. For example, a marked downturn in the motion picture production and television broadcasting industries in the late 1980s affected Equity's income quite substantially, in turn, precipitating the introduction of some economy measures by the union. These included a reduction in the

²⁵ Noel Butlin Archives Centre, Australian National University, Canberra file N122/94, '1982 financial crisis'; *Equity*, December 1982, p. 31; December 1983, p. 14; March 1985, p. 6; September 1985, p. 16.

²⁶ *Equity*, February 1987, p. 2.

number of issues of the union magazine and cuts in telephone, printing and capital project costs.²⁷

Table 8 below shows both the pattern of membership and finances of Equity between 1981 and 1992. It reveals a decrease of 2136 members (16.3 percent) over this period but a rise in funds per member of \$171.14 between 1981 and 1990. This increase was due to the careful and tight financial management of the union through the 1980s. Equity operated a national financing system which allowed the union's federal officers to determine the rate of subscriptions and entrance fees to be paid by all members. This was done after calculating expected increases in union expenditure and then adjusting subscription and entrance fee levels accordingly.

Table 8: Actors Equity Membership and Income (1981-1992)

Year	Total Membership	Accumulated Funds (\$)	Funds per Member (\$)
1981	13,127	200,165	15.25
1982	19,040	249,942	13.13
1983	8,985	322,421	35.88
1984	9,216	433,024	46.99
1985	10,033	554,957	55.31
1986	11,406	663,016	58.13
1987	15,662	1,094,056	69.85
1988	12,775	1,392,797	109.03
1989	13,941	2,058,498	147.66
1990	11,993	2,235,391	186.39
1991	n/a	n/a	n/a
1992	10,991	n/a	n/a

Source: Union annual reports and financial accounts in *Equity* (various years) and personal correspondence to author from the Australian Industrial Registry, 5 December 1995. No figures were available for 1991 and, in 1992, Actors Equity became a constituent organisation within the Media, Entertainment and Arts Alliance.

²⁷ *Equity*, May 1991, p. 3.

Despite the increase in funds per member over time, it did not necessarily ensure that members' expectations could be satisfied. The problem confronting the union was that because most performers had low income and limited market power (see Chapter Three), the set of expectations they placed on the union was relatively high. However, there were limits to the extent to which subscriptions could be raised. Membership fee structures were required to take into account the level of performers' income which, in turn, was related to the short-term and intermittent nature of employment.²⁸

Table 8 further reveals that the union was subject to considerable short-term variation in its membership. For example, from 1987 to 1988 the fall in membership largely reflected the slump in motion picture and television production as the then 10BA tax concessions to encourage production were no longer attractive.²⁹ This loss was partially offset between 1988 and 1989 when there was a slight surge in membership. This was principally the result of World Expo '88 held in Brisbane between April and October 1988. It is argued that the characteristic fluctuations in its membership placed Equity in a highly vulnerable position when the minimum size of federal trade unions was increased from 1,000 to 10,000 members under the *Industrial Relations Amendment Act 1990*. While the union had more than the minimum threshold figure, the margin by which it was exceeded was not excessive. Supporting hypothesis three, increasing organisational size through merger would allow Equity to secure more freedom from these external dependencies, in the process improving the prospects of union survival.

²⁸ A recent commissioned survey found that the average annual income of performers in Australia was \$11,500, a figure which has been declining in real terms for a number of years (see *Sydney Morning Herald*, 21 February 1995, p. 2).

²⁹ The term '10BA' was widely used throughout the entertainment industry and referred to section 10BA of the *Income Tax Assessment Act* which provided taxation concessions for investors in Australian films. It was first introduced in June 1981.

The *Future Strategies* document produced by the Australian Council of Trade Unions (ACTU) in 1987 further reinforced and gave peak union support to the established merger plans of Equity. That is, along with the legislative change that later increased the minimum size of registered unions to 10,000 members, the document was seen as lending strong support to the longstanding desire of Equity's Michael Crosby to expand the size of the union. The union fully endorsed the general proposals outlined in *Future Strategies* and sought to conform to the ACTU blueprint.³⁰

Taken together, the industry union plans of the ACTU, legislation designed to increase union size, and a constantly fluctuating membership with high expectations of their trade union moved Equity, as an organisation, towards merger. This move was facilitated by the highly centralised nature of Equity's structure which provided its federal secretary with considerable agency (and influence) in setting union policy on restructuring. Moreover, it satisfied the longstanding ambition of the union's federal secretary who firmly believed that a merger would release economies of scale and improve the union's industrial and political strength. This is consistent with the orthodox arguments in favour of union restructuring discussed in Chapter Two.

Australian Theatrical and Amusement Employees Association

Like some of the previous unions such as the AJA and Equity, the issue of merger for the ATAEA can largely be understood as ensuring that adequate resources and bargaining strength were available to operate effectively in a more complex, decentralised and turbulent industrial relations system.³¹ In conjunction with the assistance of the then federal government, the industrial landscape was being re-cast by the ACTU towards large, industry-based trade

³⁰ Minutes of Equity federal executive meeting, 29 June, 1-3 July 1987; Interview with M. Crosby, 24 October 1995.

³¹ Interview with C. Livingstone, 10 February 1995.

unions. The industrial relations climate of the late 1980s also required unions to deal with new issues such as superannuation, workplace change and award restructuring, matters that consumed considerable amounts of union resources. At a macro-level, these developments suggested a need for many small to medium-sized trade unions to acquire additional resources. Undoubtedly, such developments affected the ATA EA.

In terms of its more immediate operating environment, other factors also shifted the ATA EA towards viewing merger as a solution to many of the problems that it faced. As was the case with Equity, the declining attraction of the 10BA tax concessions to film investors by 1987-88 also impacted upon non-performers in motion picture production. Just as with performers, work opportunities for technicians and those employed in film laboratories fell dramatically. The number of fee-paying members in this area of the ATA EA's coverage dropped sharply.³²

The organisational problems of the union were highlighted, particularly from 1988, when the union faced a massive dispute in its cinema area. One of the largest cinema employers, Hoyts Corporation, tried to reduce labour costs and staff levels by removing over-award payments and introducing more flexibility in rostering arrangements, respectively. Industrial agreements were being sought which would introduce an overall rate of remuneration inclusive of penalty payments. At issue was the company's apparent desire to improve its organisational efficiency in order to better compete against rival cinema chains such as Village Roadshow and Greater Union.³³ The company's plans were unacceptable to the ATA EA because it considered the maintenance of minimum wage levels and a centralised or industry approach to wage determination as vital in providing its largely casual members in cinemas with an acceptable minimum standard of living.

³² Interviews with M. Strassberg, 15 November 1996; M. Taylor, 18 November 1996.

³³ *The Australian*, 6 October 1988, p. 15; *The Age*, 7 October 1988, p. 13.

At one stage during the dispute, the company attempted to exclude the ATAEA by approaching the Theatre Managers Association (TMA) to offer that organisation exclusive representation or sole union coverage over its workforce. However, the offer was rejected.³⁴ The Hoyts dispute resulted in many hearings in the Australian Industrial Relations Commission and the High Court which cost the ATAEA (and later the MEAA) many thousands of dollars. The case had still not been settled five years later, and while it remained on-going appeared to have the effect of weakening ATAEA membership in the cinema industry generally.³⁵ Although at face value it appeared that the company finally capitulated when it agreed in 1994 to the establishment of an award, there were some leading ATAEA officers who believed that the union essentially lost the dispute; membership within Hoyts Corporation had fallen dramatically and penalty payments were eventually removed.³⁶

Exacerbated by the enduring Hoyts dispute, the financial situation of the ATAEA was under increasing strain by the late 1980s. Large branches, such as NSW, had been operating successively in deficit for a number of years. In 1987, the shortfall in the branch had been \$35,000; in 1988 it was \$29,000, with a further deficit of \$86,000 recorded in 1989. By 1990 matters had not much improved with a branch deficit of some \$60,000, with this rising further in 1991 to a deficit of nearly \$74,000.³⁷ The situation in the Victorian branch was not as serious; however, for 1990 and 1991 the branch had still recorded a deficit of \$10,000 and \$32,000, respectively. With the union's two largest and

³⁴ *Workforce*, no. 865, 14 February 1992, p. 6.

³⁵ See *Australian Financial Review*, 29 April 1993. For a commentary on the intransigence of the Hoyts Corporation see Nomchong & Nolan, 1995, pp. 174-178.

³⁶ Interviews with E. Anderson, 10 July 1996; M. Strassberg, 15 November 1996; *Workforce*, no. 967, 25 March 1994, p. 6.

³⁷ Minutes of ATAEA NSW branch committee minutes, 4 March 1991; ATAEA NSW branch newsletter, May 1992, p. 11.

viable branches running their operations in deficit (and therefore consuming their savings or accumulated funds), the prospect of internal union renewal in states where the ATAEA's presence was weaker appeared unlikely. The NSW branch executive began to believe that merger was essential for the survival of the branch and, hence, the federal union.

The situation presented by the deficits experienced in some branches was not helped by the level of the union's financial membership. In mid-1991, the ATAEA had 10,269 financial members among a total membership of 13,709.³⁸ This represented a financial level of 75 percent which compares with the target of 85 percent set by the AJA (see earlier). If the ATAEA was to shore up its financial position it would need to explore ways to improve the ratio of financial to total members. This would inevitably prove difficult since there was a large number of casual and part-time workers in those industries covered by the ATAEA.

The deteriorating financial situation had the effect of prompting the federal office, then based in Victoria, to move the union towards a centralised method of funding. Despite considerable and substantial opposition from the Queensland and Western Australian branches to the strategic decision executed by the union's leadership (supporting hypothesis one), centralised funding took effect from 1 October 1991. Centralisation involved branches handing over all their existing funds to the federal office which, in turn, would remit a fixed proportion back to the respective branches. At the time that central funding commenced it was estimated that the ATAEA only had financial reserves amounting to some five weeks operating costs.³⁹

³⁸ Accurate membership data for the ATAEA are difficult to obtain due to the union's decentralised structure. However, figures listed on annual returns lodged with the Industrial Registrar reveal a pattern of relative stability in total membership between 1985-1990 (see personal correspondence to author from Australian Industrial Registry, 5 December 1995).

³⁹ Minutes of ATAEA NSW branch committee meeting, 23 September 1991.

However, administrative reform was only a partial solution to the problems faced by the union. The union had also sought out alternative strategies and against the backdrop of substantial internal and external pressure, merger became an attractive proposition to the ATA EA. Merger was largely envisaged as providing more resources, particularly in the smaller states, to deliver effective service to members in what was becoming an increasingly decentralised industrial relations system (Hancock & Rawson, 1993).

Moreover, in an environment where the ACTU was actively encouraging union restructuring and rationalisation, merger was also seen as ensuring the survival of the ATA EA's extant membership coverage. The prospect that sections of the membership would be lost to other unions was a real one; in South Australia, coverage in the Adelaide Entertainment Centre was lost to rival unions in May 1991.⁴⁰ This suggests that the actions of both the ACTU and other unions played a role in further strengthening the attraction of merger for the ATA EA. Failure to conform to ACTU policy would clearly result in a narrowing of traditional areas of union coverage and, ultimately, to a more uncertain future for the ATA EA.

Merger had in fact been contemplated by the union's leadership for a number of years. In the mid 1980s, for example, federal council authorised the union's federal secretary to investigate the feasibility of merger although at the time the union was split over how to proceed; some delegates wanted to defer the issue while others wanted to commence merger discussions with specific unions.⁴¹ However, the set of internal and external problems faced by the union from the late 1980s including internal dissension surrounding the shift to centralised funding and the Hoyts cinema dispute, meant that merger

⁴⁰ Minutes of ATA EA federal council meeting, 17-19 April 1991; *The Advertiser*, 31 May 1991; Minutes of ATA EA SA branch committee meeting, 30 May 1991.

⁴¹ See Minutes of ATA EA federal council meeting, 26-30 May 1986.

could not be deferred any longer. Merger was now increasingly seen by more ATAEA officers as an option to be given serious consideration. The hostile environmental situation was highlighted by the precarious financial state of the union. In addition, and related to this, members had been lost in some core areas of ATAEA membership - cinema and motion picture production. Supporting hypothesis four which states that the internal control over resources gives some organisational members more power than other members, the loss of these important internal resources heightened the union's sense of vulnerability. A merger appeared to present the union with an opportunity to strengthen its organisation and, ultimately, ensure its survival.

Professional Rugby League Players Union

The constitutional coverage of the union was professional rugby league players and by the early 1990s boasted a membership of approximately 600.⁴² While the union has traditionally enjoyed a high level of support from players with over 90 percent of eligible players enlisted as members, low subscription levels had nonetheless hindered the organisation's ability to offer a wide range of services. Further disguising this situation of high membership, however, was the view that by 1993 the union reportedly had no financial members, a situation partly explained by the belligerent attitude of the Australian Rugby League towards trade union membership.⁴³ In particular, the collection and usage of subscription monies by the Rugby League Players Union has been constrained by the failure of clubs to remit membership fees.⁴⁴ The organisational problems were compounded by the small size of the union and, related to this, by an absence of full-time officers to pursue its affairs (Dabscheck, 1991).

⁴² Letter from C. Warren to G. Burke, Dept. of Industrial Relations, 9 July 1993; *The Australian*, 7 September 1994, p. 2.

⁴³ Interview with P. Moscott, 21 June 1996.

⁴⁴ See Rugby League Players Union financial statements, 31 December 1992.

A more recent external development has also been regarded as giving impetus to the decision to merge. By the early 1990s the game of rugby league could no longer be regarded as a Sydney-based competition only. Teams from Canberra and Brisbane were also now part of the league with the real prospect of an enlarged competition involving teams from Perth, Adelaide and New Zealand (Auckland) by the mid 1990s. The union's president reportedly felt that given their limited resources these wider developments would place the organisation in a vulnerable and tenuous position to represent players on a more geographically-dispersed level. That is, the union may not survive without the additional security and resources provided by a larger union.⁴⁵

In conjunction with the limits to the organisation's resources base, anticipated difficulties presented by developments affecting the game of rugby league sharpened the union's concern about its environment. It became lucid to the leadership that a merger might enable the union to strengthen its organisation and so be better placed to deal with the expected environmental changes. This highlights the movement between agency or choice and environment. While the internal and external environments may shape trade union responses, they do not determine them. Strategic choices can still be exercised (cf. Child, 1997).

Artworkers Union of NSW

The Artworkers Union was and remained a small and poorly serviced union; in 1982 the union had 450 members⁴⁶ whereas by 1993 the union had declined to 180 members, of which there were about 80 financial members. A small membership base constrained the financial strength of the organisation. This meant, among others, that the union had to rely entirely on honorary officers or activists (it was unable to employ full-time industrial staff) to do work on behalf of the union, as

⁴⁵ Interview with P. Moscott, 21 June 1996.

⁴⁶ *The Australian*, 5 May 1982, p. 9.

well as lacking the necessary organisational resources to secure and service an industrial award (Markey, 1996). The lack of resources to provide a basic infrastructure soon became a source of discouragement to the union's leadership particularly as wholly professional arts organisations seemed more effective in meeting many artists' needs.⁴⁷

In 1989, ten years after formation, the Artworkers Union of NSW achieved registration as a trade union and also ostensibly resolved, by a decision of the membership at the annual general meeting in 1989, to pursue the idea of merger.⁴⁸ Merger was seen as a vehicle to provide better industrial protection for artists and access to a wider range of expertise and services. Underlying this was a perception that a larger trade union would be able to wield more bargaining power and influence in support of members in what had become a more organised and centralised visual arts and crafts industry. Over the next two to three years the Artworkers Union's committee of management held periodic meetings to debate the future of the organisation and the role of merger in this. The union was conscious that merger was then a key policy objective of the ACTU and, as such, felt that the future for small unions such as theirs was limited. However, the Artworkers Union of NSW mistakenly believed that they would *need* to merge by 1993 in order to avoid deregistration as a union with less than 10,000 members.⁴⁹ This legislative requirement only applied to federal and not state-registered trade unions. Nonetheless, it would appear that the general climate promoting union restructuring still had some impact, albeit indirect, on state unions.

As a small trade union with few resources, limited industrial and political power, and no full-time staff, the efficacy of the Artworkers Union was inevitably

⁴⁷ Interview with T. Warburton, 26 September 1996.

⁴⁸ Artworkers Union of NSW merger pamphlet, circa 1994.

⁴⁹ *Artworkers News*, April 1992, pp. 2-3.

limited. It was therefore not surprising that a merger with a larger organisation was seen as a highly attractive option by the leadership of the union.

Musicians Union of Australia

The Musicians Union has, on a number of previous occasions, been involved in discussing merger with other unions. However, in all these cases the union did not enter a merger (see Michelson, 1997). As momentum for restructuring gathered from the late 1980s, the issue of merger re-visited the union. However, with power residing in the branches under the union's decentralised structure, it was exceedingly difficult for the Musicians Union to reach consensus on merger. Notwithstanding this, there were a few leading individuals within the union who strongly encouraged the move towards merger. Through its full-time secretary, the Perth branch of the union was among the most supportive of merger, in part because the branch in the early 1990s was bereft of financial resources, which was itself a function of the organisation's autonomous decentralised structure. The secretary of the branch believed that a centralised structure was the most desirable form of organisation for representing musicians nationally.

In addition to the Perth branch, there were others at the branch level starting to exhibit a far stronger interest in merger. Many of these had traditionally been opposed to the prospect. In late 1992 a clear policy of pursuing merger with another entertainment-based union was adopted.⁵⁰ This shift in attitude caused elements within the union to re-assess their attitude towards merger. It followed a deterioration in overall membership levels and increased financial difficulties in some of the union's branches, and in some cases was further accompanied by the departure of some branch personnel who had been staunchly opposed to merger. Three of the largest branches - Sydney, Brisbane and Perth - as well as the union's federal secretary favoured merger. However, there was by no means unanimity

⁵⁰ Minutes of Musicians Union federal executive meeting, 29-30 October 1992;
Memorandum to federal executive from Musicians Union federal office, 21 December 1992.

within the union, and the wealthy Melbourne branch remained vehemently opposed. In 1988 the branch reportedly owned property and cash assets estimated at \$2.5 million; the prospect of merger threatened a loss of branch control over these resources (Michelson, 1997, p. 315). Other branches of the Musicians Union - Adelaide, Newcastle, Hobart, Launceston and Broken Hill - were also opposed to initiating merger discussions. Among some of these branches, particularly those with a solid asset base, was a belief that they were not in any imminent danger if they did not merge their organisation (see also Graham, 1970, p. 561).

Thus, while it appeared that there were external and internal forces to make merger an attractive proposition to better manage its environment, the decentralised nature of the Musicians Union (which had resulted in widespread variation in the level of resources held by different branches) militated against the development of a strong organisational propensity to merge. There was interest in pursuing a merger but it attracted lukewarm support at best among many Musicians Union officers.

Conclusions

This chapter has identified a number of important features. First, it has shown that in all the cases examined, the motivation to merge stemmed from the leadership rather than the membership. This supports previous research (e.g. Campling & Michelson, 1997; Chaison, 1986; Spooner, 1984; Undy *et al.*, 1981) and begins to empirically establish the argument for the important role played by union leaders in the trade union merger process. That is, and consistent with hypothesis one, union merger entails a strategic choice exercised by those holding upper-level positional power within their organisations.

Second, it has also been shown that there were a range of both external and internal factors which influenced the media and entertainment unions to consider merger (see Table 9).

Table 9: Summary of Union Merger Motivations

Union	A	B	C	D	E	F
ABC Staff Union	x		x		x	
PKIU			x	x	x	
ACIAA	x		x			x
AJA		x		x		x
Equity	x		x		x	x
ATAEA	x	x	x	x		x
Rugby League	x	x	x	x		
Artworkers Union	x		x		x	x
Musicians Union		x				

X means a relevant factor or consideration

Factor A - Legislative impetus

Factor B - Financial impetus

Factor C - Membership impetus

Factor D - Industry restructuring

Factor E - To secure more industrial and political power

Factor F - To achieve economies of scale/provide more union services

The table reveals that there were multiple merger motivations held by the unions confirming the view of Undy *et al.* (1996, p. 46) that membership loss alone is not necessarily the determining factor in the propensity to merge. However, this is not to discount membership trends as the summary table does reveal that this was an important consideration for the majority of the unions examined (see

column c). In conjunction with the legislative imperative to secure a size of 10,000 or more members, the vulnerability of unions in entertainment to fluctuating memberships was highlighted by the nature of the work. Employment is characterised by intermittent and irregular periods of work, in turn, resulting in high membership turnover. The role of the ACTU has not been included as a variable in the table as this affected all the unions to a greater or lesser extent.

Third, the chapter has revealed how the merger motivations for the smaller unions (the ABC Staff Union, the ACIAA, the Artworkers Union of NSW and the Professional Rugby League Players Union) were primarily driven by the need to seek greater protection within a larger trade union. In part, this was driven by the imperative to reach a minimum threshold of 10,000 members (these unions were all well below this figure) and, in part, by the belief that this would allow their organisations to access more resources to service their memberships. This undoubtedly would influence the form that merger would later take - an absorption rather than an amalgamation. For the larger unions (those with over 10,000 members) there were variations in the imperative to merge with the propensity to combine ranging from considerable in the case of the ATA EA (with at least five motivating factors - see Table 9), to ambivalent in the Musicians Union. Here, financial reasons was the only factor giving rise to merger but this was not uniform throughout the union; some branches had considerable wealth and did not perceive any need for merger. In some instances, the developments of the late 1980s satisfied latent merger motives (Equity), while in others it triggered the decision to seek merger as an organisational response to the changes (the AJA). It is argued, however, that the propensity to merge and therefore acquire greater access to critical resources would effect subsequent stages in the union merger process.

Having discussed the 'urge to merge' among the various media and entertainment unions, the following chapter examines the process by which the unions selected other organisations with which to pursue a merger. It shows how the choice of merger partners by leading union officers was inextricably related to

the need to acquire critical resources. This is consistent with the integrated strategic choice-resource dependence perspective.

CHAPTER 5: SELECTION OF MERGER PARTNERS

Introduction

While the previous chapter explored the motivations to merge among the various unions in the study, this chapter builds on this information by discussing both how and why the unions contemplating merger selected those organisations with which to attempt to combine. In particular, it will show how the unions that now make up the Media, Entertainment and Arts Alliance (MEAA) considered a wide range of other trade unions before they finally settled on their merger partners. In doing so, and consistent with the integrated strategic choice-resource dependence perspective, it demonstrates that the unions sought organisations that would satisfy their need to acquire critical resources. Once these target unions had been determined the process of negotiating a merger agreement could actively proceed. This stage, however, is dealt with in the following chapter.

The selection of possible merger partners was influenced by a range of factors including the desire to form an industry-based organisation, the need for protection in a much larger organisation, and the seeking of ideologically and/or culturally compatible other unions. In some cases, the merger partners finally selected were not always those most preferred. This was because the selection process was not uni-directional; unions contemplating merger had to mutually select one another before detailed negotiations about how to combine their organisations could commence.

The chapter begins by discussing the cases of the ABC Staff Union and the PKIU which, although contemplated by at least some of the media unions (the AJA and Equity), did not form part of the Media, Entertainment and Arts Alliance (see Figure 1 on page 6). Reflecting the chronology of events, the following section discusses the Australian Commercial and Industrial Artists Association, while the next three sections examine the selection of organisations by the AJA,

Equity, and the ATAEA, respectively. A discussion of the selections by the Professional Rugby League Players', the Artworkers Union and the Musicians Union complete the chapter.

ABC Staff Union

As the major union in the public broadcaster, the ABC Staff Union essentially saw two options in terms of a merger. The first of these included combining with other unions which broadly operated in the media, broadcasting and entertainment industries. Such unions included the Australian Journalists Association (AJA), Actors Equity, the Musicians Union of Australia, the Australian Theatrical and Amusement Employees Association (ATAEA) and the Professional Radio and Electronics Institute of Australasia (PRELA). The second option was to seek a merger that was primarily based on a public sector logic. The list of possible unions here included the Administrative and Clerical Officers Association, Australian Government Employees (ACOA) and the Australian Public Service Association (APSA).

For their part, while the AJA and Equity were aware of the ABC Staff Union's interest in the 'public sector' grouping, it did not deter them from approaching the ABC Staff Union inviting it to join in their separate merger negotiations.¹ Indeed, the existence of parallel sets of union merger negotiations is a common feature of the research literature (e.g. Chaison, 1986, p. 71). It also pervades this study of the formation and evolution of the MEAA.

In order to help the ABC Staff Union determine its direction over the merger partners, a number of meetings were held with the media and entertainment unions. The AJA, Equity and the Musicians Union already had members working in the Australian Broadcasting Corporation (ABC); for instance, the AJA had approximately 700 members or about 5 percent of their total

¹ Joint letter from M. Sutherland (AJA) and G. Jones (Equity) to N. Wilson (ABC Staff Union), 25 August 1987; Letter from M. Crosby (Equity) to J. Cleary (ABC Staff Union), 2 September 1987.

membership in the ABC.² However, given the admission from the AJA that their ABC members were not an influential block within their union, the ABC Staff Union were concerned about what place those members who worked within the ABC would have in an enlarged organisation.³ Despite this, the AJA regarded the ABC Staff Union as an attractive proposition because it was “a natural fit since journalism has always been a big component, well in fact, the *raison d’être* of the ABC”.⁴ It appeared there was some sympathy from certain occupational groups within the public broadcaster towards this view. It was believed by some that there was interest in a merger with other media and entertainment unions primarily from musicians, broadcasters and technicians within the ABC; opposition to this direction ostensibly had its source from those ABC employees working in clerical and public service grades.⁵

The AJA, Equity and the Musicians Union all believed that they should retain their craft identity (at least in the short term) and rejected the view proposed by the ABC Staff Union that their members within the Australian Broadcasting Corporation (ABC) should become part of an ABC Division within a merged organisation. This was an issue of critical importance to the ABC Staff Union’s leadership.⁶ This would not only be a more rational structure according to the ABC Staff Union, but the arrangement would also be likely to restore some of the union’s loss of membership under recent staff cuts within the national broadcaster. In addition to the retention of separate craft identities, the AJA wanted their ethics committee structures to remain distinctive. Equity concurred with the intent underlying this claim and outlined their desire at these meetings to form a media and entertainment trade union; Equity felt that each organisation’s interests should be protected in the course of a merger.

² See AJA Circular Memo 278/90, 10 August 1990, p. 7.

³ Handwritten notes by M. Aarons (ABC Staff Union) of merger meeting, 2 February 1988.

⁴ Interview with B. Porter, 24 October 1995.

⁵ Interview with M. Crosby, 24 October 1995.

⁶ Internal report of ABC Staff Union negotiating committee concerning merger options, 5 February 1988.

To safeguard this object both the AJA and Equity considered it necessary that joint secretaries be created in the proposed merger. To some extent the AJA and Equity appear to have been more than content to enter a merger with the ABC Staff Union on the basis of being able to protect their own memberships while leaving the organisation of the clerical and administrative functions within the ABC to the ABC Staff Union.⁷ The stated preferences of the ABC Staff Union, the AJA and Equity supports hypothesis three that unions will attempt to manage their environments in such a way as to secure, if possible, more independence from external constraints.

The ABC Staff Union negotiators also heard how the retention of control over property and other assets was also an area of concern for some of the 'media alliance' unions. For example, the Melbourne branch of the Musicians Union had, over a period of years, accrued considerable property and other assets worth approximately \$2.5m and were therefore concerned that a merger would simply mean that control of these assets would go to Equity where the federal body owned all property. They wanted guaranteed that any funds resulting from property sales would be spent in Victoria. The federal secretary of Equity, Michael Crosby, was prepared to accept this providing that upon merger all property did then become the property of the federal body and not the various state-registered organisations or the branches. The AJA shared a similar anxiety by wanting to retain control of their Benevolent Fund in NSW since it operated as a separate trust from the AJA. The Fund owned the union's state property and 40 percent of their federal building. Taken together, the ABC Staff Union saw a difficult and complex passage lay ahead in attempting to resolve the Musicians Union (Melbourne branch) and the AJA (Benevolent Fund) property ownership issues.

Following two preliminary meetings in early 1988, the three-person ABC Staff Union negotiating committee reported back to special meetings of their union's

⁷ Interview with B. Porter, 24 October 1995.

federal conference. Generally, the committee were not in favour of the proposed 'media alliance' structure which would have seen four separate divisions (Journalists, Actors, Musicians and the ABC) whereby union officers would work on a cross-division basis. At the national level there was to be a joint federal executive committee, a joint federal executive and a joint federal conference in which each of the four divisions were to have equal representation, although voting strengths were to be determined on a proportional system based on the size of the various branches.

One aspect regarded as particularly vexatious by the ABC Staff Union included the view that the proposed structure was unwieldy and cumbersome; three different levels at the federal level - federal executive committee, federal executive and federal conference - was deemed excessive. In addition, the prospect of having rotating state branch representatives on federal bodies shared between the four divisions was felt to create a situation whereby each division would be disaffected for three of every four years.

A second perceived disadvantage of forming a merger from entertainment unions was the link it would create with predominantly private sector workers. The ABC Staff Union feared that any new organisation here would dilute the identity of its current public sector focus in general, and focus on national broadcasting in particular. It was noted that Equity and the Musicians Union, for example, had not yet formulated their own specific policies on the ABC.⁸ This oversight was seen by the ABC Staff Union as inevitably restricting the level of resources that would be devoted to members working in the ABC following any merger and, as such, posed a major impediment to pursuing a merger with these unions. Moreover, the ABC Staff Union regarded that some of the entertainment unions had low levels of unionisation in many of the industries in which they operated; this would ultimately mean that the ABC Staff Union would inherit a

⁸ Handwritten notes by M. Aarons (ABC Staff Union) of merger meeting, 2 February 1988.

range of unwanted problems.⁹

Third, it was perceived that the problems that had historically existed between the AJA and the ABC Staff Union compounded the difficulty of attempting to convince the latter organisation to be part of a larger media and entertainment-based trade union. For example, journalists working within the previously named Australian Broadcasting Commission had welcomed the introduction of electronic news gathering equipment in public television broadcasting in the mid 1980s. In contrast, the response from members of the ABC Staff Union to the new technology ranged from outright rejection to ambivalence (see Jackson & Yerbury, 1984). A number of the other issues that explained the relationship between the AJA and the ABC Staff Union are captured by the following comment from one AJA federal industrial officer:

We didn't get on very well with (the ABC Staff Union) and a lot of it is perception. We're a craft, we're a professional association versus a general union. A lot of the ABC Staff Union work (under) our members, like our members supervise their work...so you get fairly complex relationships which are about what's happening between the workers in a workplace which then takes on a general character for the way the unions relate to each other...We were supposed to be the junior partner (in the ABC) but always refused to act that way. And because of the nature of our members and the role they played in an organisation like the ABC, we always had an undue influence over decisions that were taken over what happened in the news room etc. So I think there are those sorts of resentments that build up. We didn't lose a lot of journalist jobs in the ABC where the ABC Staff Union suffered a lot of the cuts. All those things have an effect.¹⁰

In the context of a slow but steadily declining membership resulting from funding cuts to the ABC (see Chapter Four), any inter-union dispute heightened the ABC Staff Union's sense of vulnerability to its environment. For the ABC Staff Union, at least, relations with the AJA had clearly been strained which, in all likelihood, detracted from any merger involving the AJA.

⁹ Internal document from M. Aarons to ABC Staff Union federal executive, 28 July 1987.

¹⁰ Interview with L. Connor, 15 February 1995.

Given such reservations, the merger partners that did appeal were those with a public sector focus - the ACOA and the APSA. These two large unions shared similar concerns about sufficient government funding of public services to the ABC Staff Union and had the further advantage of relatively high levels of union membership. One obvious drawback with this option was the association with organisations which had little appreciation of, and knowledge about, the media. Notwithstanding this limitation, a merger involving the ACOA and APSA was still seen as providing the ABC Staff Union with substantially more resources and greater industrial and political leverage if it was to effectively exert pressure on the federal government to better fund the public sector. It was factors such as these that prompted one of the union's leading and most influential officers to favour a merger in this direction.¹¹ In mid-February 1988 the ABC Staff Union's federal conference endorsed this direction with only its Western Australian branch dissenting. The branch believed, for example, that the report from its negotiators portrayed an overly pessimistic view of the option involving the media and entertainment unions. It also expressed concern about being submerged within the much larger public sector conglomeration.¹²

The 'public sector' option was seen as providing substantially more resources and a more unified and integrated organisation following merger far sooner than what would result under the 'media alliance'. However, the reality was that the ABC Staff Union believed that it was able to better maintain its independence. It subsequently became the ABC section within the Public Sector Union and, contrary to the fears of its Western Australian branch, members of the section could elect their own executive. The section was also entitled to a position on the union's national executive committee (Davis, 1996, p. 16). In comparison, under the proposed 'media alliance' there were to be joint executive bodies.

¹¹ Internal document from M. Aarons to ABC Staff Union federal executive, 28 July 1987.

¹² Facsimile from G. Marshall (ABC Staff Union - W.A.) to A. Brennan (ABC Staff Union), 24 February 1988.

Both the AJA and Equity were extremely disappointed not to have been successful in attracting the ABC Staff Union into the proposed media and entertainment union and suspected the latter were never serious about merging with their organisations in the first place. It was felt the ABC Staff Union had only wanted to conduct preliminary discussions in order to demonstrate to their membership the logic of seeking a merger with public sector rather than media and entertainment unions.¹³

Printing and Kindred Industries Union

As noted in the previous chapter the PKIU had been experiencing a declining membership base since 1974. This was a result of a contraction in many of the areas in which the union had members. Initially, the PKIU referred to examples of how Printers' unions elsewhere were adapting to changes in their environments. Developments in other English-speaking countries were influential in shaping the selection of merger partners by the PKIU. In particular, the merger of printers' and journalists' unions seemed prevalent which led the PKIU, in the late 1980s, to see a merger with the AJA as a logical move. The AJA held a strategic location within the media and information industries (see Lloyd, 1985, p. 306) which had been cemented by the introduction of new technology in newspapers (Reed, 1988). The appeal of the AJA was highlighted by the loss of PKIU newspaper members as a direct result of the technology. Moreover, pursuing a merger with the AJA was supported by the high proportion of PKIU officers reportedly drawn from the newspaper sector.¹⁴ This suggests, consistent with hypotheses one and four, that the interest in the AJA by the PKIU was influenced by the internal power that newspaper printers' had over the strategic choices made by the PKIU's leadership. This influence was not independent of the leaders' backgrounds.

¹³ Letter from M. Crosby (Equity) to A. Duncan (ABC Staff Union), 25 March 1988; Interview with L. Connor, 15 February 1995.

¹⁴ Interview with B. Porter, 24 October 1995.

Overall, the direction proposed by the PKIU would allow the organisation to re-position itself more broadly as a communications union. To support this shift in focus, the PKIU further envisaged the inclusion of the then Australian Telecommunications Employees' Association (ATEA) within an organisation to form as a result of merger activity. At the time (1987-88), however, the AJA expressed reservations about the proposal since they were by far the smallest of the three organisations; the AJA had about 12,000 members, the PKIU had nearly 49,000 members while the ATEA had over 33,000 members.¹⁵ Under such circumstances, the AJA felt that the retention of their identity within an enlarged union would be unlikely.¹⁶ The unequivocal desire of the AJA was to enter a merger as at least an equal partner.

While the AJA held major reservations about independently entering a merger with the larger PKIU, it was nonetheless, prepared to consider a merger with the entertainment unions as a first step prior to joining the PKIU as a more equal partner. The AJA were also willing to be part of union rationalisation efforts whereby PKIU members only working in newspapers would transfer to the proposed media and entertainment industry union. This prospect was, of course, an anathema to the PKIU. According to some scholars the hostile reaction from the PKIU to the AJA's proposal is understandable where trade union mergers are an attempt to secure greater organisational viability. Under such circumstances, unions will only enter mergers intact, or as a whole (see Streeck & Visser, 1997, p. 322).

Particular branches of the AJA also rejected the PKIU's idea of forming a communications union; the AJA Victorian branch, for example, actively sought the inclusion of the PKIU, Equity, the Australian Theatrical and Amusement Employees Association (ATAEA) and the AJA in a media and entertainment

¹⁵ The figure for the ATEA is drawn from Table 8.9 of Deery & Plowman (1991, p. 254).

¹⁶ Interviews with B. Porter, 24 October 1995; C. Warren, 1 July 1997.

industry union.¹⁷ The AJA's intention to form a union with a slightly different industry emphasis, and the ATEA's parallel merger discussions with the Australian Postal and Telecommunications Union (APTU) appeared to undermine the PKIU's plans. Given such preferences from these other unions, it became apparent by 1990 that the PKIU had shifted its focus towards the formation of a manufacturing-based union. It was now seeking to merge with the then named Amalgamated Metal Workers Union.¹⁸ This selection was not unexpected since approximately 80 percent of the PKIU membership worked in manufacturing, cardboard production and commercial printing.¹⁹ Despite this shift, the PKIU still wanted to merge with the AJA as the first step in its wider merger plans.

There was evidence of some cleavage or divergence in the selection of merger partners; not all PKIU branches believed the Amalgamated Metal Workers Union was the most suitable partner. The Victorian branch of the PKIU concurred with the views of the AJA that the PKIU should position itself as a constituent member within a larger media and entertainment union. While the AJA supported the inclusion of the PKIU in a media union, it (along with Equity) was not prepared to be part of an organisation that included the Metal Workers'.²⁰ These preferences obviously placed the PKIU and the AJA in a difficult position. While both believed the other was an attractive merger prospect, the strong interest by the PKIU in the large Amalgamated Metal Workers Union presented a stumbling block for the AJA; in turn, the formation of a media and entertainment union did not provide enough organisational security for the PKIU. In the final analysis, the PKIU gave priority to concluding a merger with the Metal Workers'. This was largely due to the perception that a

¹⁷ Minutes of AJA Victorian branch committee meeting, 20 March 1989; Letter from M. Sutherland (AJA) to C. Warren (AJA), 17 April 1989.

¹⁸ Minutes of AJA merger committee meeting, 3 August 1990; Interview with M. Sutherland, 26 June 1996.

¹⁹ Interview with C. Smyth, 8 February 1996.

²⁰ Letter from C. Warren (AJA) to J. Cahill (PKIU), 23 April 1991; AJA Circular Memo 176/91, 28 June 1991, pp. 6-7.

merger with the AJA and other media/entertainment unions would release few, if any, additional resources for the PKIU. Ultimately, this meant that in-depth negotiations about the proposed structure, financial arrangements and the allocation of positions did not, for all intents and purposes, take place between the PKIU and the AJA.

Prior to combining with the Metal Workers', the left-aligned PKIU absorbed the Victorian Printers Operatives Union (VPOU) in February 1992.²¹ While this may appear to be a logical choice in the step towards forming an industry union, for several years the PKIU had been ambivalent to the merger overtures from the smaller union. In part, this indifference was shaped by contrasting ideological views since the VPOU was generally regarded as a right wing union (see Davis, 1987, pp. 74, 77). The role of ideological affinities has played an important role in the selection of merger partners by Australian unions (see Ellem, 1991a; Jamieson, 1992; 1993; Lambert, 1991; Plowman, 1992; Ryan, 1987).

Australian Commercial and Industrial Artists Association

Given the legislative imperative to substantially increase its size and having little prospect of acquiring sufficient membership numbers through recruitment efforts alone, the Australian Commercial and Industrial Artists Association (ACIAA) was subsequently faced with the need to consider merger partners or risk being de-registered. For reasons outlined earlier in the study, the PKIU was not even remotely considered by the ACIAA as an organisation to combine with. Due to the professional side of its organisation, the ACIAA was initially interested in merging with an association which it perceived shared a similar orientation to itself. The Association of Architects of Australia (AAA) was approached and was reportedly interested in seeking an agreement to merge. However, ACIAA doubts as to the level of the AAA membership, meant that the

²¹ According to Deery & Plowman (1991, p. 257) the VPOU had slightly over 2,000 members in 1989.

exploratory merger talks subsequently proved fruitless. Underlying the rejection was a view that a merger with the AAA would do little to ameliorate the ACIAA's chance of survival. In addition, the Federated Clerks' Union (FCU) was contemplated by the ACIAA since they also represented some employees within advertising and public relations firms. However, the FCU was discarded as a potential partner following revelations that they were reportedly embroiled in internal factional fighting.²² The ACIAA wanted to eschew any unions which it perceived as militant.

Following the unsuccessful search for suitable partners, the ACIAA did not appear to continue seeking out other organisations to combine with. In part, this was because the sequence of events was such that the ACIAA was itself now seen by another union - the AJA - as a merger target. When the AJA first contacted Allan Paull, then federal president of the ACIAA, the union reportedly spent a not inconsiderable time researching the former organisation as it was felt that combining with the AJA required clear and well-constructed arguments in order to convince their membership, as well as the advertising industry, that a merger with this trade union was the only alternative open to the ACIAA. However, it appears that the search for information about the AJA was limited; the ACIAA were unaware of the AJA's interest in seeking an eventual merger with the PKIU. If they had, it is unlikely the ACIAA would have commenced merger negotiations with the AJA.

The ability of the AJA to offer a regular newsletter, employ full-time qualified staff, and generally convey good coverage of all aspects of the media industry increased the attraction of the union to the ACIAA. Moreover, the AJA was regarded as a similar organisation to the ACIAA in that it was generally perceived as white collar, not highly politicised since its constitution prohibited

²² Interview with J. White, 9 August 1995.

affiliations with political parties, and it represented workers whose work was intrinsically creative by nature.²³

The Australian Journalists Association

In 1989 the AJA's federal council established a merger committee to canvass what such an event would mean for the union. As a result of this a draft merger charter was prepared, with substantial input from officers of the Victorian branch. In part, the charter broadly recommended that the AJA should combine with unions which would both complement and widen existing areas of AJA coverage and which had membership in both the public and private sectors. The establishment of these parameters clearly allowed the consideration of such unions as the PKIU, the Victorian Printers Operatives Union (VPOU), the ATAEA, Equity, the ACIAA and the Musicians Union. At this stage there was much interest in the PKIU and VPOU (in addition to Equity and the ATAEA) by the Victorian branch of the AJA which sought to create a media and entertainment industry unions federation as a precursor to merger later on with the PKIU (see above).²⁴

As discussed in Chapter Two, trade union coverage in Australia from the late 1980s was critically shaped by ACTU policy. Alongside its policy of restructuring vis-a-vis the promotion of merger activity, the ACTU executive sought to rationalise union jurisdictions or coverage at the workplace level (Kelly, 1994). To this end, the October 1990 meeting of the ACTU executive devised the concepts of *principal*, *significant*, and *other* unions. Unions would be classified according to one of these three types in the areas in which they had memberships.

²³ Interviews with J. White, 9 August 1995; A. Paull, 31 October 1995.

²⁴ Minutes of AJA Victorian branch committee meeting, 20 March 1989; Minutes of AJA federal council meeting, 14-19 April 1991.

There was a relationship between this general development and union merger behaviour. One way in which trade unions could secure for themselves *principal* union status was through various merger proposals and commitments. Undoubtedly, the selection of merger partners by unions was influenced by the classification status likely to be accorded a merged organisation by the ACTU. Supporting hypothesis two, this shows how unions will respond more to the demands of groups in their environments that control critical resources - in this case, the conferral of *principal* union status by the ACTU. In this context, the AJA was a medium-sized national union with members across a broad range of industries in both the private and public sectors. Therefore, it was highly vulnerable, particularly as it was unaffiliated to the ACTU, to larger unions seeking to expand their coverage. The formation of industry unions could result in pressure being placed on journalists in the Australian Broadcasting Corporation and the Special Broadcasting Service, for example, in joining a public sector union. Alternatively, newspapers journalists could be located within a larger printing industry union.

Initially, such scenarios were realised. The ACTU rationalisation blueprint sought to locate the AJA as part of the printing industry. Due to the threatened loss of membership that it posed, the AJA argued against this placement believing that it created an unnecessary and artificial barrier between electronic and print media. It also stood to elevate the Printing and Kindred Industries Union (PKIU) to the status of *principal* union to the possible exclusion of the AJA. Instead, the AJA petitioned the ACTU believing the print media should be divided into pre-production and production/distribution with the former given to them and the latter to the PKIU. Moreover, the AJA regarded that a more appropriate (and wider) industry definition for itself was the media and entertainment industry. It did so contending that its membership were diverse and to be found in television, radio, public relations, media agencies, book publishing, court and Hansard reporting as well as in newspapers and magazines. Here, the AJA further argued that no industry distinction should be made between

public and private sector broadcasting.²⁵ This petition was clearly aimed at preserving all the existing constituent sections of the union, which was of major concern to the AJA, having recently lost membership coverage (public relations area) in the Australian Federal Police.²⁶

The loss of about seven members in the Australian Federal Police was highly symbolic and sharpened the reality of trade union restructuring and rationalisation for the AJA. It gave further impetus to the formation of a larger (merged) union which would enable the AJA to retain all its constituent parts. Here, a union generally located in the media and entertainment industries might best enable the organisation to preserve its existing membership boundaries and deflect attempts by other unions to assume coverage of certain groups of AJA members. In particular, the Canberra branch of the AJA, with its large proportion of high fee-paying membership heavily dependent upon parliamentary reporting, was exposed to an attempted takeover by the Public Sector Union.²⁷

Ideally, the AJA sought to bring the various unions in the media industry together into one organisation. At its April 1991 federal council meeting, the union endorsed a policy of forming a media union of those who worked in the media industry.²⁸ These unions included the ACIAA, the PKIU/VPOU, Equity, the ATAEA and the Musicians Union. The ABC Staff Union had since merged with two large clerical public sector unions to become the Public Sector Union. From the perspective of the AJA, Equity in particular, was the organisation which most shared its strategic vision about how the various unions should consolidate their structures and organisations. Both

²⁵ Letter from C. Warren (AJA) to B. Kelty (ACTU), 4 October 1990. The Public Sector Union had been given *principal* union status in the Australian Broadcasting Corporation and the Special Broadcasting Service (See Minutes of union restructuring in the entertainment industry meeting, ACTU circular no. 700/1990, 19 September 1990).

²⁶ See Australian Federal Police Case, Full Bench, Australian Industrial Relations Commission, print no. J5280, 1 November 1990.

²⁷ Interview with B. Porter, 24 October 1995.

²⁸ *The Journalist*, May 1991, p. 1.

Equity and the AJA, for instance, valued the control and protection of various professional matters by the constituent partners within a merged union. In this way, the AJA came to regard Equity as a critical partner in its broader restructuring efforts.²⁹

The appeal of the ACIAA to the AJA was certainly not financially motivated; the largely inactive ACIAA only had assets worth approximately \$5,000 held in a bank account.³⁰ Rather, the attraction of the ACIAA to the AJA was that although it was a craft union, it exhibited a form which more closely resembled that of an industry union due to its broad eligibility rule. The rule enabled the ACIAA to recruit widely within their industry. Presenting important jurisdictional resources (see hypothesis two), a merger with this small, but strategically placed union, offered the AJA a ready platform upon which to extend its membership within the media industry.³¹ In this way, it would help compensate for job losses brought about as a result of media takeovers, and ensure an expanded coverage in the media industry more generally. A successful absorption of the ACIAA could also be used as leverage by the AJA to encourage further mergers with other trade unions.

Upon closer inspection (and as noted earlier), it seemed that the AJA was primarily interested in merging with those members of the PKIU who only worked in newspapers.³² This desire was to partly satisfy Equity which wanted to form a media and entertainment union with a tightly defined industry identity. The prospect of the PKIU agreeing to some 20 percent of its membership joining this proposed union grouping was highly remote since the PKIU was already concerned about its declining membership levels. Thus, the empirical evidence reveals that the attraction of the PKIU to

²⁹ Interview with C. Warren, 1 July 1997.

³⁰ Letter from B. Porter (AJA) to C. Warren (AJA), 2 September 1991.

³¹ Internal AJA Report from L. Connor to C. Warren, February 1991.

³² Interview with B. Porter, 24 October 1995.

the AJA was tempered by the views of other unions it was also interested in pursuing a merger with. This suggests that the selection of possible contenders for merger is not an unconstrained process; rather, it appears to be more accurately viewed as a balancing act between various contingencies.

Actors Equity of Australia

Through its most senior full-time officer, Equity had for some time believed that a merger involving the three primary entertainment unions (Equity, the ATAEA and the Musicians Union) was highly desirable.³³ The aim was to form an industry union which covered both performers (for example, actors, dancers, musicians) and non-performers (for example, technicians) alike. The proposal would therefore include both 'above-the-line' and 'below-the-line' workers. The attraction of this grouping was that all unions were of a similar size, worked in the same or similar workplaces and held similar concerns. Some of the concerns shared by the three unions included quotas for Australian content on television, residual payments for secondary usage of material, work opportunities, government financial support for the arts and entertainment sectors, and copyright matters.

Despite the many similarities, demarcation disputes had been a recurring problem between Equity and the Musicians Union.³⁴ The inter-union conflict stemmed from issues of coverage of singers/vocalists and whether or not the playing of instruments or being accompanied by a band or instrumental group changed their coverage or representation status. In addition to local performers, both unions received quite substantial income from overseas performers or artists touring Australia. Under an agreement with the Commonwealth Department of Immigration overseas artists were required

³³ See M. Crosby, 'Amalgamation in the Entertainment Industry: A Discussion Paper', unpublished mimeo, 28 May 1979.

³⁴ See, for instance, Minutes of Equity NSW branch committee meeting, 24 February 1981; Minutes of Equity Victorian branch committee meeting, 28 August 1981.

to seek permission from the relevant union to work in Australia. Fees levied on overseas performers were higher than those payable by local performers. The two unions determined a separate demarcation policy for Australian resident performers and imported performers was necessary because coverage of imported artists was of particular importance to both organisations due to the income that such performers generated.³⁵ However, many within Equity believed that the inter-union friction would only be solved in the long term by a merger between the two unions. This is consistent with the views of those who believe that industry unions will address union demarcation disputes (see Chapter Two). Rather than drive the two unions further apart, the demarcation problems, at least from Equity's perspective, influenced its selection of preferred merger partners.

By the mid 1980s, efforts by Equity to convince the ATAEA and the Musicians Union to join their three organisations had not been successful. Given ambivalence from the ATAEA and outright opposition from the Musicians Union to the idea of merger at that time, Equity began to express interest in other medium-sized unions. The desire to increase its size and yet retain a broadly entertainment industry focus was not going to be frustrated by the ATAEA and the Musicians Union. It was in this context that the AJA first began to be seen by Equity as an appropriate union with which to consider a merger.³⁶

Equity came to regard the AJA as an extremely important part of the proposed new organisation and forcefully contended in its on-going correspondence with the ATAEA that the inclusion of the AJA in any entertainment-based union was vital.³⁷ The attraction of the AJA was both economic and strategic. Equity believed that the AJA was a well run union

³⁵ Interviews with N. Steer, 30 April 1996; P. Woodward, 6 February 1996.

³⁶ Minutes of Equity federal executive meeting, 29 June, 1-3 July 1987.

³⁷ See letter from M. Crosby (Equity) to K. Ophel (ATAEA), 22 January 1990.

with a number of highly competent officers. Here, it was contended that the financial structure of the AJA was generally sound and would support Equity's own economic viability. The representation of full-time journalists provided a more regular income stream than that provided by the highly casualised and intermittent nature of acting. Strengthening the new union's economic base was seen as vital given the precarious state of the ATAEA's finances (see pages 121-122).³⁸

The strategic appeal of the AJA to Equity was that it would broaden and build up areas of coverage where together the ATAEA and Equity would remain relatively weak. This was particularly the case with television stations where the inclusion of television journalists would help offset the low levels of unionisation among technicians. Equity believed that the addition of the AJA would better enable the new union to secure *principal* union status in television stations. The AJA was also of similar size to Equity, maintained a strong professional identity and had common interests over such issues as media ownership regulation. Thus, the AJA controlled resources which Equity valued - pursuing a merger with the former would allow Equity to secure access to important economic and strategic resources, confirming hypothesis two. Among others, these resources would allow the union to offer more membership services.

The ATAEA still remained important to Equity. Equity clearly regarded the ACTU's 1990 three-tier initiative (*principal, significant, other*) as providing it with an opportunity to achieve its long-standing objective of forming an entertainment union. Equity stood to benefit from the ACTU's classification system; on the basis that they and the ATAEA merged, the new union would

³⁸ Internal merger report by M. Crosby (Equity), 19 June 1991; Interview with M. Crosby, 24 October 1995.

become the *principal* union in commercial television, radio, stage/theatre, film, cinema and showgrounds/theme parks.³⁹

Unlike the AJA which appeared determined to retain all its existing sections in the context of union rationalisation efforts, Equity seemed to adopt a less rigid attitude towards the retention of its membership. For those areas considered less crucial to their core identity, such as radio broadcasting, Equity was prepared to relinquish part of its coverage (cf. hypothesis four). In the Special Broadcasting Service there were about 300 employees eligible to be members of Equity, of which approximately 50-60 were members. Due to the low level of unionisation amongst radio announcers, Equity believed that it was not able to devote resources to adequately service these members and subsequently proposed that a ballot of relevant Special Broadcasting Service employees occur to determine preferred trade union coverage. In the event, the majority who voted opted for coverage by the AJA over other potential candidates - Equity and the Public Sector Union.⁴⁰ Given that this was a union with which Equity was interested in pursuing a merger, it was possible that at some future point Equity would once again come to represent radio announcers.

Australian Theatrical and Amusement Employees Association

Given the organisational problems faced by the union (see Chapter Four), the choice of merger partner was also an issue for the ATAEA. There were a number of other unions considered as possible partners and these organisations were attractive either on the basis of common industrial interests, shared workplaces and employers, identical political or ideological views, the nature of the memberships represented, or some combination among these factors.

³⁹ Minutes of union restructuring in the entertainment industry meeting, ACTU circular no. 700/1990, 19 September 1990.

⁴⁰ Open letter from M. Crosby (Equity) to SBS broadcast employees, 31 May 1990; Interview with L. Connor, 15 February 1995.

In addition to the ATA EA, Equity and the Musicians Union were the two other key unions which had traditionally occupied the entertainment sector. From the mid 1970s, under what was known as the Entertainment Industry Council, the aim of forging closer relations between the three entertainment unions, such as establishing common industrial and general policies, had been a goal. The Council was seen as a vehicle by some to facilitate a formal combination or fusion between the unions although this did not result in a merger at the time (see Michelson, 1997, pp. 311-315). However, and more recently, the union leadership sought to widen the range of potential merger partners by opening up preliminary discussions with a number of unions in entertainment. In 1987 the federal secretary was given considerable latitude to initiate discussions with Equity, the Musicians Union, the ABC Staff Union and the Theatre Managers Association.⁴¹ This effectively meant that the selection of likely merger partners for the ATA EA was to be largely controlled by one person only.

Co-existing alongside the ATA EA in the cinema area was the small Theatre Managers Association (TMA). While the ATA EA represented technical personnel and front-of-house staff including ushers and ticket sellers, the TMA had coverage over cinema managers. Since at least the early 1970s there had periodically been interest in merging with the TMA. The ATA EA had specifically changed its rules to include a merger clause, therefore providing it with the constitutional authority to conclude a merger with the TMA at some future point.⁴² In mid-1990 the union again approached the TMA with a view to determine whether common ground existed for a merger or whether the TMA was amenable to the ATA EA taking over its coverage holus-bolus.⁴³ Despite the industrial overlap between the two unions, in-

⁴¹ See Minutes of ATA EA federal council meeting, 11-15 May 1987; ATA EA federal office memo to all branches, 23 October 1987.

⁴² See Minutes of ATA EA federal committee of management meeting, 18 January 1972; Minutes of ATA EA federal council meeting, 8-10 November 1972.

⁴³ Minutes of ATA EA federal council meeting, 2-4 May 1990.

depth merger negotiations never took place. The reason for this was twofold: first, the cinema membership of the ATA EA were generally uneasy with the prospect of their managers belonging to the same union as they did and, second, historically, there had been attempts by the ATA EA to assume coverage of managers in sectors which the TMA believed were eligible for membership of their organisation.⁴⁴ Not surprisingly, this struggle for coverage resulted in some enduring ill-feeling by the TMA towards the ATA EA.

Following the inclusion of the ABC Staff Union along with the Australian Public Service Association and the Administrative and Clerical Officers Association to form a new public sector and broadcasting union in 1989, the prospect of a merger with the ABC Staff Union was ruled out. While Equity and the Musicians Union were still possible merger partners, the ATA EA added further unions to its list - the AJA, the PKIU, the Federated Miscellaneous Workers Union (FMWU), and the Federated Liquor and Allied Industries Employees Union (FLAIEU). Of this expanded group, Equity and the Musicians Union were still clearly the unions most favoured by the ATA EA to conclude a merger with. Principally, this was due to the historical closeness between the three organisations. However, by early 1991 the AJA was also seen as a prospect by the ATA EA, but only because Equity was determined to include the AJA in the formation of a new media and entertainment union (see pages 149-150). At this stage, the Musicians Union was internally divided over the question of merger and whether they would be party to any merger with the ATA EA was largely unknown.⁴⁵

Despite the preference for forming an entertainment union, full-time officers from the ATA EA still met with officers of the 126,000 member (Deery &

⁴⁴ Letter from L. Woods (TMA) to D. Stapleton (ATA EA) 17 July 1980; Minutes of ATA EA federal executive meeting, 4 August 1980; Interview with A. Mack, 22 August 1995.

⁴⁵ Minutes of ATA EA federal council meetings, 19-21 April 1989; 26-28 October 1989; 23-25 January 1991; Letter from K. Ophel (ATA EA) to M. Crosby (Equity) and J. McAuliffe (MUA), 7 December 1989.

Plowman, 1991, p. 255) FMWU in late 1989 to help settle the issue of merger partner selection. It appeared that the ATA EA wanted to canvass a range of unions to determine their position on merger and whether a formal combination with any of these organisations would satisfy the overall objectives of the ATA EA. Specifically, this meant whether the other unions could offer the ATA EA increased resources and industrial strength. While the FMWU did wield more industrial clout and had considerable experience in organising large groups of casual workers across a range of industries (similar to the ATA EA), the disadvantages seemed to outweigh the advantages, at least for all branches of the ATA EA except for Victoria. A merger with the FMWU was likely to lead to an increase in fees for casual employees, a less democratic federal structure as the general secretary and assistant general secretary of the FMWU were elected by federal council rather than directly by the membership, and a dilution of the cultural identity of ATA EA members. Given the size differential between the ATA EA and the FMWU, it was unlikely that the former would feature prominently in the governing structures of the latter. That is, it would be seen as an absorption of the former by the latter. For all these reasons almost every branch believed that the FMWU was not the most appropriate merger partner.⁴⁶

However, at this time the FMWU was not ruled out altogether as a possible merger partner; any negotiations with this large general union would simply be deferred as the ATA EA sought to keep all their available options open. Despite the problems envisaged if the ATA EA became part of the FMWU, the FMWU had a large asset base which would offer considerable financial protection to the much smaller ATA EA. The ATA EA was, after all, in a precarious position (see Table 9 on page 129). It was possible that the ATA EA would still consider the FMWU if the outcome of preliminary discussions it was also having with entertainment and media unions were

⁴⁶ Report from branch president in Minutes of ATA EA NSW branch committee meeting, 15 January 1990; Minutes of ATA EA federal executive meeting, 21-23 February 1990.

unsuccessful. In fact, this turned out to be the case. When negotiations with Equity became problematic (see the next chapter), the then federal secretary of the ATA EA, Ken Ophel, sought to generate interest in a merger with the FMWU (and by this stage, the FLAIEU, which itself was in an advanced state of negotiations with the FMWU) in late 1990.

The attempt to change direction was not successful. Given pressure from both Equity and within his own organisation to this shift in merger partners, Ophel resigned on 26 January 1991.⁴⁷ Core groups within the ATA EA such as theatre and film people worked closely with actors or performers and supported Equity rather than proceeding with the FMWU. The power wielded by these groups within the ATA EA clearly influenced the selection of merger partners, in turn, confirming hypothesis four. Ophel's successor, Charles Livingstone, appointed from 11 March 1991 for the unexpired portion of the current term of office, moved quickly to restore relations with Equity. From this point, there was never any doubt about the desirability of Equity as a merger partner.

Professional Rugby League Players Union

The formation of the Media, Entertainment and Arts Alliance (MEAA) in May 1992 strengthened its claim as the premier union within the Australian arts, media and entertainment industries. For the Rugby League Players' there was ostensibly an industrial logic in merging with such an organisation. The MEAA had already developed the skills and knowledge needed to deal with many of the issues such as residual payments and individual contracts which confronted the small Rugby League Players Union. Furthermore, the approximately 30,000 member MEAA offered extra resources and additional security to the small sports union. For its part, sponsorship of or support for merger with the Professional Rugby League Players Union within the MEAA was primarily due

⁴⁷ Ken Ophel had been ATA EA federal secretary since 15 August 1986.

to the growth of pay television and the place of sports in that development. It was believed that such developments would present the MEAA with considerable recruitment opportunities.

Artworkers Union of NSW

There were only two trade unions considered by the Artworkers Union of NSW as potential merger partners: the MEAA and the Operative Painters and Decorators Union (OPDU) (which along with the Federated Furnishing Trade Society of Australasia merged with the Construction, Forestry, Mining and Energy Union in March 1993). In part, the origins of having more than one union with coverage of visual artists and craft workers stemmed from a dispute that had occurred between the ATAEA and the OPDU over coverage of artists in the exhibition construction area. The dispute was mediated by the ACTU which determined that the OPDU would have coverage of artists' work in the building industry while the ATAEA retained coverage over artists in theatre.⁴⁸ Thus, the ACTU's influence was substantial in shaping jurisdictional coverage as it sought to achieve its wider strategy of forming industry unions.

The MEAA was regarded as attractive to the Artworkers Union of NSW because it already covered some visual artists such as set designers and photographers (Markey, 1996, p. 36), was perceived to represent workers which had similar concerns in terms of intellectual ownership over products and levels of Australian content, and maintained a general interest in cultural and artistic matters. For their part, the OPDU had tried to appeal to artworkers in Victoria and Western Australia by establishing, among others, award coverage for artworkers, raising awareness of occupational health and safety matters and offering some specialist professional services, such as assistance with exhibitions (Markey, 1996). Such developments affecting artworkers in other states were closely monitored by the Artworkers Union of NSW.

⁴⁸ Draft minutes of the meeting of unions regarding coverage of visual artists and craft workers (held at ACTU offices, Melbourne), 17 October 1991.

In order to help it decide between the MEAA and the OPDU the Artworkers Union of NSW devised a list of questions in September 1992 for consideration and response by the two potential merger partners. Both unions had expressed interest in merging with the Artworkers Union. From the responses the committee of management of the Artworkers Union decided to pursue a merger with the MEAA and subsequently conveyed this recommendation to their membership. Factors which appeared to positively influence the selection of the MEAA included: a reported balance between industrial and professional concerns, the importance placed on lobbying, and a perception that this union was more familiar with the complex nature of visual arts issues in general.

Conversely, the Artworkers Union of NSW expressed scepticism about how understanding or aware the OPDU was of the needs of visual artists and felt that they had a narrow conception of what constituted art. For instance, the awards that the OPDU had established for artworkers were principally confined to the building sector, an area in which only a small proportion of visual artists actually worked.⁴⁹ Arguably, this attitude was exacerbated by the inclusion of the OPDU in the federated structure of the large Construction, Forestry, Mining and Energy Union. It is likely that this merger further influenced the Artworkers Union towards favouring the MEAA because although an absorption with the OPDU may also ensure the union's survival, in the process it could impose more constraints on the Artworkers Union than that introduced under an absorption by the MEAA. This is consistent with hypothesis three.

Markey (1996, p. 38) implies that existing gender relations in the MEAA and the OPDU were also important factors in helping to determine the most suitable partner union.⁵⁰ The MEAA represented a large proportion of female members and women featured prominently in senior full-time positions within the union. The gender composition of the MEAA closely resembled that within the

⁴⁹ *Artworkers News* (special merger issue), April 1993.

⁵⁰ Estimates provided by leading figures of the Artworkers Union indicate that women held a slight majority in terms of its own membership composition.

Artworkers Union of NSW. In contrast, the OPDU, was characterised by a far more masculine culture.⁵¹ Finally, one of the leading and most influential activists within the Artworkers Union - Ian Burn - had maintained both a good working and personal relationship with officers of Equity before it became a constituent member of the MEAA. Burn had, for instance, previously been involved in designing Equity's membership publications. Together, these factors all help to illustrate the support towards combining with the MEAA rather than the OPDU.

Musicians Union of Australia

As was the case with Equity and the ATA EA, the obvious grouping of unions which suggested itself as a logical industry combination was the three entertainment unions - Equity, the ATA EA and the Musicians Union. However, the two 'above-the-line' unions - Equity and the Musicians Union - had vastly different structures; the former operated a strong centrally-run organisation while in the latter, power was held at the branch level. This key difference would have to be resolved if merger was to ever proceed since the structural differences had previously contributed to the cessation of merger negotiations between the two unions in 1981-82 (Michelson, 1997, p. 313).

In addition to the different structure operated by Equity, there had also been two particularly serious allegations made by the Musicians Union against Equity in the late 1970s and early 1980s: firstly, that Equity had not supported the union in its attempt to stop the proliferation of discotheques and synthesiser equipment, and secondly, that Equity had not condemned dancers who were members of Equity for dancing to taped music. Both issues were regarded as significant threats to the work opportunities of musicians. These proved bitter and enduring grievances for the Musicians

⁵¹ In 1983-4 women were almost invisible in the OPDU where reportedly they only constituted 0.1 percent of the union's total membership (see Rawson and Wrightson, 1985, p. 15).

Union, particularly as Equity moved to assume coverage of disc jockeys.⁵² Such grievances continued to temper the attraction of Equity as a potential merger partner through the mid 1990s.

It was noted on page 96 that the membership of the Musicians Union included such groups as symphony orchestras, jazz musicians, soloists and rock musicians. Given the tendency of the last group to frequently perform in clubs and hotels there had been expressions of interest in a merger by some within the Musicians Union with the Federated Liquor and Allied Industries Employees Union (FLAIEU). However, the prospect for merger in the early 1980s did not appear bright because of the opposition expected from the sections of the Musicians Union, such as symphony orchestras, not involved in the hotel or liquor industry.⁵³ Interestingly, the Musicians Union officers who ostensibly favoured a merger with the FLAIEU were different from those who had been discussing merger with Equity in the same period, suggesting that there were some cleavages within the union's hierarchy about the preferred selection of merger partners. These differences continued through the 1980s and 1990s. In addition, it should also be noted that the propensity to merge was lower for the Musicians Union than the other unions in the study (see Table 9 on page 129). This meant that the issue of selecting merger partners was correspondingly reduced.

While the role of officer support or opposition is critical in the trade union merger process in general, and in the selection of merger partners in particular, so too are a union leadership's perceptions of expected membership reaction. The importance of the symphony orchestras to the union was recognised by all. Therefore, any position of branches concerning the selection of suitable partners had to accommodate their views to a large

⁵² Noel Butlin Archive Centre, Australian National University, Canberra, file N93/147, Letter from B. Alexander (Equity) to D. Cushion (Musicians Union), 30 April 1979; Interview with H. Manley, 15 February 1995.

⁵³ Interviews with J. McAuliffe, 31 May 1996; M. Stead, 9 July 1996.

extent because orchestral members, who provided the union with a regular income stream, cut across branch boundaries. Supporting hypothesis four, the internal control over union resources by the symphony orchestras increased their power inside the Musicians Union. If the union was to merge, the orchestras preferred that this should be with what had now become the MEAA (see Michelson, 1997, p. 318); Equity was, of course, a founding member of this organisation. As subsequent chapters will show, the orchestras' desire to combine with the MEAA became problematic for many of the Musicians' branches.

Conclusions

In summary, the final selection of merger partners for the unions that joined to make up the MEAA was related not only to the establishment of a media and entertainment industry identity, but also to ideological considerations and overcoming membership fears that the three key unions (AJA, Equity and the ATA EA) might lose their identity in the event of a merger taking place. Thus, there was an association between the size of a merger partner and its acceptability to the union membership that the leaderships of the unions had to manage. If the unions chose to merge with other unions of a similar size any concern that they would be swamped would be negated. This is not to suggest that there was no support for a merger with a bigger union at some future point. In the case of the AJA, for example, a merger with unions of a similar size (Equity, ATA EA) would allow the AJA to later combine with a larger union such as the PKIU (as some AJA officers wanted) on an equal footing. From the AJA's perspective, this sequence would provide it with more leverage in future merger negotiations.

This suggests that while unions will attempt to manage their external dependencies (through merger) in order to ensure organisational survival and viability, they will attempt to do so, if possible, in a way that maximises their independence and freedom from the new constraints (hypothesis

three). In this context, the ABC Staff Union sought, and was able, to ensure both greater organisational security and autonomy within a large 'public sector' grouping. It was also seen that the AJA, Equity and the Artworkers Union of NSW also valued the retention of their professional independence within a merged organisation.

The chapter also showed how the selection of possible merger partners was influenced both by leadership and membership preferences. The choices made by union leaders were affected, at least in part, by strategic groups within the unions: for example, the PKIU's newspaper members, the theatre and film workers within the ATA EA and the orchestras within the Musicians Union were influential in their respective unions' decision-making processes. Conversely, the radio announcers in Equity was an example where ostensibly the area had less intra-organisational power than the core group of actors. The union was prepared to concede this part of its organisation to the AJA because it was unable to sufficiently service members in this area. Thus, the integrated strategic choice-resource dependence perspective reveals how choices are influenced by important contingencies internal to trade union organisations.

The chapter also discussed how the institutional structures influenced the selection of merger partners for the unions in the study. The ACTU's three-tier classification (*principal, significant, other*) shaped the unions' search patterns for other suitable organisations. With the loss of the members in the Australian Federal Police and its subsequent assignment to the printing industry by the ACTU, the AJA sought to create an organisation which would preserve its existing boundaries. The creation of a 'media alliance' was seen as enabling the AJA to ensure its survival as a craft organisation. In addition, Equity was to be given *principal* union status in a number of areas such as commercial broadcasting, film and cinema if it successfully completed a merger with the ATA EA. For the former union, this enhanced its historical interest of a merger with the latter. In all but the case of the Musicians Union, however, the selection of merger partners was shaped by

unions' needs to acquire important financial, membership and jurisdictional resources.

Having explored both how and why the unions in this study selected its merger partners, the following chapter will proceed to discuss the negotiations that took place with the intent to conclude a merger.

CHAPTER 6: THE MERGER NEGOTIATIONS PROCESS

Introduction

Having discussed the process of selecting merger partners, the purpose of this chapter is to examine how the unions' sought to negotiate the details surrounding the proposed mergers. While many studies provide some data about union merger negotiations as part of their broader focus,¹ there have been relatively few attempts to exclusively examine the processes involved in negotiating a union merger. This is surprising given the contention that to explain why unions merge, or why likely merger partners have not, will require an understanding of the options that they faced in merger negotiations (Chaison, 1982a, p. 201). It is at the negotiating table where certain post-merger structures and processes are usually agreed by the unions concerned (Chaison, 1996).

Union merger negotiations can be lengthy and complex (Fox *et al.*, 1995). Moreover, they are not conducted in any public forum (DeCenzo, 1981; Janus, 1978) and, as such, tend to be characterised as discreet exercises (England & Anderson, 1978). This could help explain why when negotiations fail to result in an agreement to merge, the fact that they ever occurred might never be known (Adams, 1984). In fact, some limited empirical evidence does suggest that merger negotiations frequently result in failure (Chaison, 1985). However, where merger does occur it has been argued that mergers that take the form of an absorption are easier to negotiate than an amalgamation due to the organisations' size differential. As there were examples of both forms in the study this proposition will be tested.

The negotiations that went beyond the exploratory and investigative stage and actually resulted in a merger agreement being reached, were not

¹ For example, Carter (1991) discusses the establishment of joint working parties, while in a footnote Khoury (1978, p. 64) describes the use of consultative committees preparatory to merger.

unconstrained by wider environmental forces. The legislative provisions contained in the *Industrial Relations Act 1988* did shape the overall process; for instance, the Act outlined the framework for mergers between federal organisations (see Division 7, ss. 233-253). Thus, at an aggregate level trade unions that intended to combine had to satisfy certain legal requirements. These included, among others, the lodgement of a scheme for merger (s. 238), the need to secure approval of the scheme by the union's committee of management (s. 240), and the requirement to apply for approval for the submission of the merger to ballot (s. 242). In addition, there were other provisions which were not mandatory but offered statutory scope to merging organisations. Some of these sections included: using a union's resources to support a proposed merger (s. 237), seeking an exemption from a membership ballot for an absorbing union (s. 244), and lodging a 'vote yes' merger case in materials sent to members if a ballot was needed for an amalgamation or where a union was being absorbed (s. 246).

Without question, the *Industrial Relations Act 1988* has directed the various stages through which union merger negotiations in Australia have proceeded from the late 1980s. Although prescribing certain general behaviours from trade unions the legislation did not, however, illuminate how the unions involved in the study actually negotiated through the issues surrounding the proposed merger. In other words, the means or processes used to achieve or satisfy the legislative ends saw considerable discussion take place both within and between the unions.

The outline of the chapter follows a chronological sequence and begins by documenting the successful sets of negotiations that led to the absorption of the Australian Commercial and Industrial Artists Association (ACIAA) by the AJA in late 1991, and the subsequent amalgamation of the Australian Journalists Association (AJA), Actors Equity and the Australian Theatrical Employees Association (ATAEA) to form the Media, Entertainment and Arts Alliance (MEAA) in May 1992. The case of the MEAA was the only set of

successful merger negotiations examined in the study that involved three organisations. The three-way amalgamation was also the most complex and, given its central importance in the research, is explored in most detail. The cases of the ABC Staff Union and the PKIU are not examined here because they determined, at the stage when merger partners were selected (see Chapter Five), to pursue mergers with unions other than the media and entertainment organisations.

The absorptions of the Professional Rugby League Players Union and the Artworkers Union of NSW by the MEAA are then briefly documented before the negotiations with the Musicians Union are examined. As this section will illustrate, the negotiations between the MEAA and the Musicians Union were both protracted and problematic. While a merger agreement was concluded between the MEAA and the Musicians Union (see Appendix Three), this disguised considerable opposition to a fusion of the two organisations (Michelson, 1997). The key theoretical lessons drawn from the chapter are summarised in the conclusion. While many of the negotiations were conducted simultaneously, or overlapped in terms of their timing, for the purposes of analysis they are treated separately. This means that the complexity of the union merger negotiations are somewhat understated.

The AJA-ACIAA Negotiations

Having viewed and targeted the largely inactive Australian Commercial and Industrial Artists Association (ACIAA) as a strategic prospect, the AJA moved to ensure that it merged with the much smaller public relations and advertising union. The AJA officer who was largely responsible for the carriage of the merger with the ACIAA was federal industrial officer Louise Connor, based in the Victorian branch of the union. Against a backdrop of having recently rejected the Association of Architects of Australia and the Federated Clerks' Union as possible merger partners, an informal approach in 1990 by Ms. Connor to Allan Paull (federal president of the ACIAA) to discuss the issue of merger, was received favourably by the ACIAA. Including this and subsequent meetings, the

relatively large number of negotiation sessions were reportedly characterised by informality and a constructive attitude from all parties. The AJA were perceived as doing all things possible to accommodate the concerns of the ACIAA negotiators. For instance, two of the more active ACIAA honorary officers - Allan Paull and John White (NSW branch president) - wanted the recognition of their work in the ACIAA, for which they had respectively received life membership, to be continued or carried over into the merged organisation. This was agreed to and they were duly made life members of the AJA.² This suggests, along with others (e.g. Conant, 1993; Stratton-Devine, 1992), that officer self-interest is a factor influencing the trade union merger process.

Following a unanimous decision at a meeting of the ACIAA federal executive in Brisbane on 8 September 1990 to fuse with the AJA, the union relayed this decision to the AJA requesting its assistance to put this decision into effect.³ Having established the ACIAA were committed to pursuing a merger, the negotiations started to discuss how to give effect to the in-principal decision to combine the two unions. In September 1990 Louise Connor, together with AJA Victorian branch secretary, Michael Sutherland, met with Allan Paull to work through the merger details. One of the first tasks that the AJA believed was required was to ensure that as many of the ACIAA's members were financial and accordingly offered its assistance to achieve this.⁴

In addition to Louise Connor who was charged with co-ordinating the overall campaign, Chris Warren and Anne Giles (AJA federal secretary and assistant federal secretary, respectively) were also involved in the series of negotiations that occurred with ACIAA federal president, Allan Paull, and ACIAA NSW branch president, John White.⁵ A large number of meetings were conducted at both the federal and state levels, in part because there was some suspicion by the

² Interview with A. Paull, 31 October 1995.

³ Letter from A. Paull (ACIAA) to L. Connor (AJA), 12 September 1990.

⁴ Letter from A. Giles (AJA) to A. Paull, 29 October 1990.

⁵ AJA Circular Memo 176/91, 28 June 1991.

ACIAA towards the AJA. Not only did this suspicion have its origins in the historical internal political machinations of the AJA in the late 1970s and early 1980s (see page 77), but it also stemmed from a more contemporary belief that artist members within the AJA received considerably less attention relative to other groups - most notably journalist members. Notwithstanding this concern, it was still felt by the ACIAA that they had little option but to merge with the AJA. The very real risk of failing to substantially increase the size of the union was the prospect of de-registration as a federal organisation.

The literature strongly suggests the important role played by leading trade union officers in union mergers (e.g. Chaison, 1986). In part, this was prescribed by industrial legislation where a union's committee of management was drawn into the merger process (see page 164). It was resolved by the committee of management of the ACIAA in Adelaide on 23 March 1991 that it would merge with the AJA. Similarly, the federal council of the AJA formally resolved, on the 18th of April 1991, that it should combine with the ACIAA.⁶ The AJA also had to approve the initial merger scheme and, at a later meeting in Melbourne on 6 December 1991, approve the alterations to the scheme.⁷

In terms of post-merger structure, it was agreed that the new organisation would be divided into five divisions, the first of these being by far the largest:

- journalists and related professionals
- administrative and professional
- book industry
- public relations industry
- commercial and industrial art industry.

⁶ Transcript of Proceedings, D No. 20011, affidavit of C. Warren (AJA), Exhibit R1.

⁷ Letter from C. Warren (AJA) to Deputy President Williams (Australian Industrial Relations Commission), 12 December 1991.

This structure ensured the retention of a separate and distinguishable ACIAA identity in the organisation and was consistent with the AJA's wider plans of how a 'media alliance' would be organised. Conferring on incoming groups their own sectional or divisional status is a common practice in the union merger literature (e.g. Elias, 1973; Undy *et al.*, 1981; Waddington, 1992). It was initially proposed by the ACIAA, however, that the artist members of the AJA who worked in newspapers and publishing companies should be in the commercial and industrial art division in order to have a single and unified group of artists. Not unexpectedly, the claim was categorically rejected by the AJA and there seemed to be little that the ACIAA could do to convince the AJA because of its weak bargaining position.⁸

The variance in bargaining power between the two unions further meant that the new merger-created organisation would retain both the name of the dominant organisation - The Australian Journalists Association - and the rules were essentially to be those of the AJA. This supports the proposition of Undy (1996, p. 132) who contends that major absorbing unions are unlikely to sacrifice any autonomy as a result of merger. For the AJA at least, the attempt to manage its environment through merger did not involve a new set of constraints in the process. This is not inconsistent with hypothesis three. The constitution or rules of the merged union provided that the AJA's Code of Ethics would only apply to members of the AJA and not the incoming ACIAA members. A motion moved by the Western Australian branch of the AJA and subsequently carried by federal executive did provide for the possibility that following merger a public relations section of the union with a separate Code of Ethics be formed. Nonetheless, it is still evident from this decision that the AJA's Code of Ethics would be safeguarded and not apply to those members brought in to the union as a result of the merger.⁹

⁸ Interview with J. White, 9 August 1995.

⁹ Minutes of AJA federal executive meeting, 13-14 August 1991.

It appeared that the AJA were firmly interested in expediting and therefore perhaps pre-empting any opposition from employers or other unions to the proposed merger. Following a request by Allan Paull to AJA negotiators Chris Warren and Louise Connor to have the lodgement date for the scheme of merger delayed in order to give him sufficient time to notify his members within the 28 day statutory period,¹⁰ the scheme was nonetheless lodged in the Australian Registry four days later. This action may also help to account for the large discrepancy between the book membership of the ACIAA and those eligible to vote when the roll of voters closed 28 days after the scheme was lodged. As only financial members were eligible to participate in the ballot, the number of ACIAA members who could vote amounted to only 96 members.

Perhaps haste on the part of the AJA and lack of understanding on the part of the ACIAA contributed to some of the difficulties the two unions experienced in trying to satisfy the legislative requirements which surrounded the mergers. Apart from a number of typographical, labelling and punctuation errors in the application for approval for submission of merger to ballot (s. 242), the ACIAA had not, according to the Industrial Registrar's office, adequately demonstrated its approval of the proposed scheme with a formal resolution by its committee of management. This situation was quickly remedied by the submission of a revised document. Some doubt also existed as to whether the AJA had clearly discharged its obligation in the same matter.¹¹ In the same correspondence the Industrial Registry also commented that omission of the word 'employee' in the Description of Industry rule as set out in the merger scheme might be construed as an attempt to extend the organisation's industry rule, and that using the term 'division' or 'section' interchangeably to describe the ACIAA's members within the merged organisation created some confusion. This suggests that combining the rules of even a small union into a much larger organisation can create some difficulties.

¹⁰ Minutes of ACIAA committee of management meeting, 17 August 1991.

¹¹ Letter from Industrial Registry to C. Warren (AJA), 19 September 1991.

To generate support for merger among the membership of the ACIAA, the planned campaign included personal letters, the production of newsletters, telephone contacts and finally culminating in branch meetings conducted by the federal president.¹² Given its larger resource base, the campaigning was primarily undertaken by the AJA which contacted ACIAA members directly; this was then supported by the honorary ACIAA officers who confirmed, in response to inquiries from their own membership, that the arguments being made by the AJA were in fact correct. National officers in both unions were therefore highly influential in promoting the merger (cf. Undy *et al.*, 1981, p. 170). The funds for the educational campaign did not come entirely out of the AJA's reserves. Under the federal government's scheme to promote restructuring (see pages 58-59), the AJA sought and received over \$68,000 in state monies for the purpose of promoting a merger with the ACIAA.¹³ While the AJA's membership were not required to vote in a ballot on the merger to give it legal effect, much effort was still directed at building support and commitment to the principle of merger among them. Stickers, posters and a video were among the raft of materials produced for the broader campaign effort towards the eventual formation of a 'media alliance'.

From the ballot results, the campaigning proved to be a success; of the 65 ACIAA members who voted 58 were in favour of the proposed merger.¹⁴ The ACIAA was subsequently de-registered as an industrial organisation on the day the merger took effect. Although the merger was a legal reality from 23 December 1991 this was later than what was initially hoped for by the AJA. In order to give itself sufficient time to lodge the merger scheme required for the proposed combination with other media and entertainment unions (Equity and the ATA EA) prior to the commencement of the Christmas holiday period, the

¹² Facsimile message from L. Connor (AJA) to C. Warren (AJA), 17 July 1991.

¹³ Personal correspondence to author from Department of Industrial Relations, 6 December 1994.

¹⁴ Letter from Australian Electoral Commission to L. Connor (AJA), 8 November 1991.

AJA wanted its merger with the ACIAA approved no later than 20 December.¹⁵

The Media, Entertainment and Arts Alliance Negotiations

In many respects, Equity established the agenda for the negotiations by presenting the other unions with discussion papers on merger. In particular, the federal secretary of Equity, Michael Crosby, was instrumental in leading the debate.¹⁶ Equity, for instance, first approached the AJA with the intention of commencing merger discussions.¹⁷ In order for negotiations to proceed Equity proposed that their two unions share information with each other about their finances, structure, affiliations and personnel. In fact, Equity had already conveyed this information when it formally approached the AJA and broached the question of merger.¹⁸ Further, at the invitation of Equity, the federal secretary of the AJA attended a federal council meeting of Equity in late 1987 to discuss the idea of merger generally.¹⁹

While many of the ideas contained in the discussion papers produced by Equity were not necessarily implemented or agreed to by the other unions, they had the advantage of at least shaping or framing discussions in a way that favoured the broad objectives of Equity. For example, Equity sought the retention of its national (centralised) focus and the protection of the professional interests of performers in any merger. Here, it wanted to retain control over the issue of the entry of imported artists into Australia.²⁰ This latter objective suggested the creation of structures within a merged union to

¹⁵ Letter from C. Warren to the Industrial Registrar, 15 November 1991; Letter from C. Warren to A. Paull (ACIAA), 18 November 1991.

¹⁶ See, for example, letter (and attachment) from M. Crosby (Equity) to K. Ophel (ATAEA) and C. Warren (AJA), 28 September 1989.

¹⁷ *Equity*, October 1987, p. 8.

¹⁸ See AJA Circular Memo 121/87, 6 August 1987.

¹⁹ Letter from M. Crosby to C. Warren, 23 November 1987; Minutes of Equity federal council meeting, 24-27 November 1987.

²⁰ *Equity*, May 1991, p. 2.

guarantee that autonomy was provided to various interest groups over certain matters. For this reason, Equity acknowledged the AJA's concern to both preserve its Code of Ethics and protect its political neutrality. In addition and at a higher level of negotiations, Crosby was reportedly very active in ACTU-convened meetings of trade unions in the entertainment industry. Later on, he aggressively sought to secure ACTU support for *principal* union status of what would be a merger involving Equity and the ATAFA as the first step in the formation of a wider media and entertainment union. This was agreed to by ACTU secretary, Bill Kelty.²¹ Supporting hypothesis one, such actions (see also the following paragraph) clearly illustrate the execution of union strategic choice by Equity involving upper-level positional power and the allocation of resources.

In mid-1989 Equity purchased a \$2.3m building in Redfern, Sydney. Part of the underlying reason for the allocation of organisational resources to buy a building was to initiate the consolidation of real estate and bring together, in one place, the offices of those unions with which Equity was proposing to merge.²² While merger negotiations were proceeding there was an opportunity for the AJA to purchase a share of the building. Such a prospect was appealing since in 1989 the AJA had limited and, arguably, sub-standard office accommodation for its NSW branch and federal organisations in Sydney. It was therefore claimed that the consolidation of real estate and subsequent move into Equity's premises would provide better services to members through the sharing of joint resources such as meeting space, office facilities and enable the two unions to closely co-operate on issues of mutual interest.²³ However, some viewed the new accommodation proposal as a *de facto* merger with Equity thereby overlooking the need to secure membership consent for a merger. The plans were thwarted when a

²¹ See ACTU Circular no. 700/1990, 19 September 1990.

²² *Equity*, June 1989, p. 20.

²³ AJA Circular Memos 80/89, 2 June 1989; 23/90, 19 January 1990.

general meeting of the NSW membership effectively ruled out the purchase at that time. Much to its annoyance, Equity had to find another buyer.²⁴

The NSW branch of the ATA EA was also interested in securing office space within Equity's building, but under the terms of a sub-lease arrangement. The branch did move into the Equity building in 1989 and paid two years rent in advance. Given the relative size and, hence, importance, of the NSW branch within the union, the move was also intended to place some additional pressure on the rest of the ATA EA. The branch felt that if it moved closer to Equity in physical terms, that a merger with Equity by its federal organisation would be more likely.²⁵

The Composition of the Negotiating Teams

Unions proposing to merge often establish committees, working groups or teams through which the negotiations are conducted (DeCenzo, 1981, p. 27). The composition of such committees or teams appear to consist almost entirely of full-time union officers, particularly those holding leadership positions (Chaison, 1986; Chitayat, 1979; Griffin & Giuca, 1986). These officers are often given considerable discretion to negotiate the terms of agreement, particularly in unions with a primary merger motivation of growth or expansion (Undy *et al.*, 1981).

While merger was initially discussed at the federal council and federal executive levels of the AJA, in 1990 it was decided that the critical details surrounding actual negotiations would be handled by a three-person committee selected by the federal executive. These were to include the federal secretary, the Victorian branch secretary and the Western Australian branch president. These three officers were also members of a larger federal council merger committee consisting of seven full-time and honorary AJA

²⁴ *Equity*, March 1990, p. 2.

²⁵ Interview with M. Taylor, 18 November 1996.

officers. However, it seemed that there was some fluidity in the core negotiating team particularly as discussions became more frequent and dealt with more detailed aspects of the proposed merger; by mid-1991 the negotiations were led principally by the union's federal and assistant federal secretaries with some involvement by the Victorian branch secretary.²⁶

The seven-member federal council merger committee was interested in broadly monitoring the way in which the AJA approached merger and, among others, formulated a draft merger charter and established a strategy and timetable to implement the charter. This process included a recognition that the union needed to both canvas support for merger among prominent AJA members in particular, and to educate the membership that the variety of work covered by the AJA was broader than journalism alone. The latter objective was designed to convince members that a merger with other multi-occupational unions would not necessarily dilute the organisational identity of the AJA since the AJA already represented a variety of workers including artists and photographers as well as journalists.

Although the specific details of the proposed merger were worked through by a relatively small number of officers, there was, nonetheless, a perceived need to harness and mobilise widespread support among the AJA's industrial staff. Leading AJA officers from around Australia met in Sydney for two days in mid-1991 to organise the union's merger strategy and associated campaign.²⁷ Part of the seminar involved hearing lessons about the merger process from other trade unions which had already consummated mergers. Among the publicised objectives for ensuring a successful campaign stemming from the seminar, was the need for it to be driven by the rank-and-file membership rather than the AJA leadership.²⁸ Despite the rhetoric, the reality of the process was that it was the leadership

²⁶ Letter from C. Warren (AJA) to M. Crosby (Equity), 5 April 1990; Memo to AJA merger committee from C. Warren, 1 May 1990; AJA Circular Memo 176/91, 28 June 1991.

²⁷ AJA Circular Memo 241/91, 29 July 1991.

²⁸ AJA Circular Memo 261/91, 12 August 1991.

(for example, the federal executive and branch committee levels) rather than the membership of the AJA that was instrumental in initiating, co-ordinating and managing the merger campaign. This also extended to the negotiations.

It was noted in the previous chapter that the federal secretary of the ATA EA was given considerable scope to select those organisations for merger that would be acceptable to the union (see page 152). However, he was not authorised to enter any merger agreement unless it had first been ratified by the union's highest governing body - federal council. In fact, the actual negotiations were not to be conducted only by the federal secretary. Seeking to be representative of different branch interests, the ATA EA established a merger working group in early 1989 comprising the federal president (from South Australia), a Western Australian delegate, the NSW branch president, the federal secretary, the Victorian branch secretary and the Tasmanian branch secretary.²⁹ Federal council also specified the topic parameters within which the working group was able to negotiate with other unions. The permissible topics included: the principle of merger, proposed structures, financial and organisational arrangements, rules issues, and the mechanisms needed to give effect to merger.³⁰

Similar to the case of the AJA, there were also periodic changes made to the composition of the ATA EA negotiating team. With respect to the discussions it was having with Equity, negotiations were the responsibility of the federal secretary, Victorian branch secretary and the NSW branch president.³¹ These two branches jointly represented over 85 percent of all ATA EA members and reveals that the internal control over membership resources gave some ATA EA officers more influence in shaping the organisation's future during the negotiations than other officers. This supports hypothesis four. As the

²⁹ An obvious omission was a delegate from the Queensland branch of the union.

³⁰ Minutes of ATA EA federal council meeting, 19-21 April 1989.

³¹ Minutes of ATA EA federal executive meeting, 21-23 February 1990; Letter from K. Ophel (ATA EA) to M. Crosby (Equity), 2 March 1990.

negotiations proceeded, other officers also became active; these included the association's federal president and the NSW branch secretary.³²

While a wide range of Equity officers had input into the merger process, the negotiations were primarily conducted by the union's federal secretary, assistant federal secretary and the NSW branch secretary. Given that its national office was located in Sydney, there was initially no representation on the Equity negotiating team from representatives outside NSW.³³ This attracted some criticism. The South Australian branch of Equity, for example, expressed concern about an apparent lack of consultation and communication between the federal body and the smaller branches.³⁴ However, with the later inclusion of the AJA in the discussions, the Victorian secretary of Equity was sometimes present during the negotiations.³⁵ As was also the case with the AJA and the ATA EA, the federal secretary of Equity was the person given overall responsibility for the co-ordination and carriage of all matters related to the proposed merger. Nowhere was this more evident than during the merger negotiations.

The Negotiations

Initially, the planned sequence of merger negotiations was as follows: Equity and the ATA EA were to combine in a two-way amalgamation and the new organisation would then merge with the AJA which was intending to (and did) separately absorb the ACIAA. This section will first examine the two-way negotiations between Equity and the ATA EA before revealing how the planned sequence did not unfold as intended. In mid-1991 it became apparent that the AJA wished to join the negotiations and work towards a

³² Minutes of ATA EA federal council meeting, 23-25 January 1991.

³³ Minutes of Equity and ATA EA merger meeting, 26 February 1991.

³⁴ Minutes of Equity SA branch committee meetings, 24 March 1991; 30 June 1991.

³⁵ See, for example, Minutes of AJA, Equity, and ATA EA merger meeting, 21 June 1991.

three-way merger. The remainder of the chapter devoted to the MEAA merger negotiations addresses the three-way proposal.

Consistent with an integrated strategic choice-resource dependence perspective, it has previously been argued that unions attempt "to merge in such a way as to enable them to retain their original identity and protect their special interests" (Elias, 1973: 126). The general objectives of the ATA EA during the Equity-ATA EA negotiations seemed to be that any merger agreement reached would facilitate democratic union practices and that there would be full-time officers in every state. In Western Australia, Queensland and Tasmania the ATA EA were served by honorary officers only. To these ends, the union sought a commitment from Equity that all elections would be made by members rather than the collegiate system, and that the financial system proposed would allow for and direct resources to less viable areas and/or branches. Consistent with the latter object, the ATA EA saw merit in a centralised funding system and believed that a merger agreement should basically provide for this.³⁶

While the ATA EA, on balance, did support a centralised structure, it did, nonetheless, attempt to partially satisfy the views of its Queensland and Western Australian branches which favoured control over their own finances (see page 122). Here, the union adopted a 'decentralised-centralised' policy in negotiations whereby each branch in a post-merged organisation would be able to spend up to 10 percent of its allocated budget solely at the discretion of the branch executive.³⁷ Equity, however, strongly opposed this because they believed branches might simply spend the discretionary allotment on non-approved items. It wanted *all* decisions regarding organisational expenditure to reside at the federal level.³⁸ From Equity's viewpoint, national funding was, and would remain, a non-negotiable item

³⁶ Letter from K. Ophel (ATA EA) to M. Crosby (Equity) and J. McAuliffe (MUA), 7 December 1989; Memo from K. Ophel to all ATA EA branches, 2 February 1990.

³⁷ See Minutes of ATA EA federal council meeting, 23-25 January 1991.

³⁸ Facsimile from M. Crosby to C. Livingstone (ATA EA), 21 February 1991.

and was a factor that determined whether merger negotiations would proceed at all.³⁹

There was also disagreement between Equity and the ATA EA about where ultimate decision-making power should reside - with general meetings of the membership or with elected representatives. The position of Equity was that it was not prepared to agree to a branch membership general meeting being able to control the decisions of a branch executive. This was because it felt it was often difficult to separate what was uniquely a branch issue from a national issue. Equity preferred that federal executive first determine whether an issue was significant only to the branch before it would agree to a binding plebiscite of the branch membership.⁴⁰

About this time (mid-1990), elements within the ATA EA began to sense an attitude of cultural elitism from Equity which threatened the traditional connections of the ATA EA with its membership. Opposition was voiced by the ATA EA about the proposed weighting system for determining the representation that each section within the new union was entitled to. Rather than representation being established by gross income generated by the particular section of membership, there was a view by some ATA EA officers that representation should simply be on the basis of 'one member-one vote'.⁴¹ Moreover, and related to this, the role of the ATA EA in a proposed federal structure appeared subordinate to Equity since Equity were reportedly seeking to occupy more positions in a merged union.⁴² There was, for example, a non-negotiable claim by Equity that the NSW branch secretary and federal secretary of the new union be an Equity person. Equity would not tolerate two federal secretaries because there were considerable

³⁹ Interview with M. Crosby, 24 October 1995.

⁴⁰ See letter from M. Crosby (Equity) to K. Ophel (ATA EA), 14 August 1990.

⁴¹ Minutes of ATA EA SA branch committee meeting, 14 February 1991; Interview with A. Mack, 22 August 1995.

⁴² Minutes of ATA EA SA annual general meeting, 16 September 1990; Minutes of ATA EA NSW branch committee meeting, 4 March 1991.

personality differences between the respective incumbents - Michael Crosby (Equity) and Ken Ophel (ATAEA) - which stemmed from vastly divergent views about union organisation.

It was against the backdrop of these organisational and cultural differences between Equity and the ATAEA, that the latter union sought to open merger discussions with the Federated Miscellaneous Workers Union (FMWU) (see pages 153-155). However, as negotiations with Equity were already well advanced any attempt to terminate them would prove difficult. Equity had decided that the inclusion of Ken Ophel in a combined trade union was untenable and demanded that the ATAEA, if they sought to merge with Equity at all, would have to remove their federal secretary.⁴³ Given the internal and external problems then facing the ATAEA, there was little choice for the union but to press their federal secretary to leave. Ophel vacated the office of ATAEA federal secretary in early 1991. His replacement simultaneously moved to cease merger communications with the FMWU and firmly committed the ATAEA to a merger involving Equity.

As noted, in mid-1991 the AJA revealed its intention to join Equity and the ATAEA in their set of negotiations. There were a number of reasons for the change to a three-way merger. First, the AJA considered that a simultaneous merger with the other two unions would provide it with greater leverage in the negotiations. The union believed that it would be less well placed to secure positions for AJA industrial staff in a situation where the combined size of Equity and the ATAEA would be approximately twice that of the AJA. A three-way merger would therefore strengthen the AJA's relative bargaining power.⁴⁴

Second, the inclusion of the AJA in the negotiations was seen by Equity's federal secretary as helping to ease many of the tensions that had developed

⁴³ Interviews with K. Ophel, 16 February 1995; M. Crosby, 24 October 1995.

⁴⁴ Minutes of AJA SA branch committee meeting, 10 July 1991.

when the negotiations only involved Equity and the ATAEA. In many areas there was a high degree of unanimity between Equity and the AJA in the proposed shape and objectives for the new union. Finally, the administrative and campaigning logic of a three-way merger made more sense; one single merger involving the AJA, Equity and the ATAEA would consume fewer organisational resources and be conducted over a shorter period of time than would two separate mergers (Equity and the ATAEA followed by a separate merger of the new union with the AJA).

The prospect of having the AJA join the negotiations raised concerns among leading ATAEA officers because it was felt that their inclusion may lead to a diminution in the bargaining power of the ATAEA. That is, the ATAEA could be forced to make further concessions that they would not otherwise have made. There was considerable substance to this concern. The protracted Hoyts cinema dispute, which continued throughout the course of merger discussions, had so far preoccupied the energies and resources of the ATAEA. Consequently, delays in negotiations were sometimes necessary because of matters that required urgent attention in the dispute. Arguably, the Hoyts case both precipitated the move towards merger and weakened the position of the ATAEA in the merger negotiations.

In addition to the Hoyts dispute overshadowing the merger negotiations, the ATAEA was also faced with remonstrations from its Western Australian and Queensland branches to the implementation of centralised funding. When this system came into effect on 1 October 1991, the two rebel branches were reluctant to cede their financial autonomy to the federal organisation.⁴⁵ Among other actions, the union's federal secretary was subsequently forced to conduct an investigation into the finances of the Western Australian branch, and to send industrial officers from each of the NSW and Victorian

⁴⁵ Minutes of ATAEA federal executive telephone meeting, 16 October 1991.

branches to Queensland for organising duties.⁴⁶ Not surprisingly, this intervention increased the tensions present within the union. Part of the dissent was reflected in challenges that were made in the elections for the office of federal secretary in mid-1991; the incumbent faced opposition from one Queensland and two Western Australian candidates. The intra-union conflict was also evident by the periodic failure of both branches to attend meetings of the federal organisation.⁴⁷

The ATAEA, therefore, was confronted with managing substantial and sustained external (Hoyts) and internal (rebel branches) problems at the same time as merger negotiations with Equity, and then with the AJA and Equity were proceeding. A union that was both internally divided and embroiled in a massive and costly dispute with a large, well-resourced employer, was always going to struggle to negotiate a merger agreement from a position of advantage.

The ATAEA further maintained that threatened opposition from AJA members (see Chapter Seven) could de-rail the merger for all the unions concerned, that the ATAEA had little in common with the AJA and, of most significance, the ATAEA would have a negligible or minor role in any merged organisation.⁴⁸ Despite such concerns, emanating mainly from its NSW branch, the ATAEA decided that it would support the inclusion of the AJA in three-way merger talks with Equity. There was perhaps little choice for it to do anything but concur since both the AJA and Equity were in favour of the change.

One of the immediate changes brought about by the inclusion of the AJA to the structural matters of the merger negotiations, was that the AJA sought

⁴⁶ Minutes of ATAEA federal executive telephone meeting, 16 July 1991; 8 August 1991; Minutes of ATAEA NSW branch executive meeting, 16 December 1991.

⁴⁷ See, for example, Minutes of ATAEA federal executive meeting, 19-20 August 1991.

⁴⁸ Minutes of ATAEA federal executive telephone meeting, 18 June 1991; Interview with M. Taylor, 18 November 1996.

the maintenance of its eight existing branches within their current boundaries.⁴⁹ If agreed to, this meant the addition of two extra branches - Northern NSW and Canberra - within the new union's structure. Equity and the ATA EA both preferred the model of having one branch per state. There was concern, held by the ATA EA NSW branch secretary for example, that the addition of two new branches would dilute the overall representation of the ATA EA within the state.⁵⁰ The view of Equity was similar and reportedly also sought to exclude the two branches. This proposition was untenable and rejected outright by the AJA. Despite the various concerns, the negotiators from the three unions agreed with the claim that the new 'media alliance' have eight branches, based on the existing AJA branches (Western Australia, South Australia, Tasmania, Victoria, NSW, Canberra, Northern NSW and Queensland).

In addition, the AJA sought to modify, to its advantage, the formula which would determine the representation of the three unions in the new organisation. Equity collected approximately 20 percent of its income by way of entrance fees and the AJA did not want this income to be counted as part of the equation for establishing each of the unions' representation on key decision-making bodies.⁵¹ Following much effort, Equity managed to improve its relative position in the proposed merger by successfully negotiating that its entrance fees would indeed count towards the calculation of income to determine its voting power on federal council.⁵² This shows how resource dependence theory operates inside organisations where each of the unions sought to gain an advantage over the allocation of internal resources (voting strength). The degree of political manoeuvring was important because in the post-merger environment this would determine

⁴⁹ *The Journalist*, February 1991, p. 5; July 1991, p. 7.

⁵⁰ Minutes of ATA EA federal executive telephone meeting, 8 August 1991.

⁵¹ Internal merger report by M. Crosby (Equity), 19 June 1991.

⁵² Memorandum to Equity federal executive by A. Britton, circa November 1991.

which trade union would hold more internal control over the organisation. This is consistent with hypothesis four.

Combining the rules of two or more similar-sized unions is no simple task and therefore negotiating the rules for the new media and entertainment organisation was a protracted and difficult process (see Chaison, 1982b; Undy, 1996; Waddington, 1992). The attempt to integrate the constitutions or rules of the three trade unions consumed much time and energy and consequently there were a number of drafts and changes made as negotiations proceeded. The difficulty stemmed principally from differences in the *modus operandi* and cultures of the three unions with the establishment of new rules for an enlarged organisation reflecting the struggle by each of the unions to maintain, where possible, their own decision-making systems and structures.⁵³

Responsibility for drafting the new rules rested largely with each union's respective federal secretary, with these drafts subsequently vetted by legal counsel jointly engaged by the three unions. Initially, the rules changes were the more substantive aspects that followed continued negotiations, while later versions of the draft rules appeared more concerned with minor amendments. Some of the more minor alterations included re-numbering of sections, aiming for a consistent use of language and terms (for instance, the three unions had often described their own governance structures using slightly different terminology), and correcting for spelling and punctuation errors.⁵⁴ There were a number of different and cumulative versions or drafts of the rules prior to their being finalised. This illustrates the attention to detail and, consequently, helps explain the length of merger negotiations.

To the extent that the proposed three-way merger between the AJA, Equity and the ATA EA was unsuccessful, the negotiators allowed scope for an

⁵³ Interviews with K. Nomchong, 15 June 1994; C. Livingstone, 10 February 1995.

⁵⁴ See, for example, facsimile from C. Warren (AJA) to A. Britton (Equity), 2 December 1991; Letter from A. Britton to C. Warren, 15 January 1992.

alternative two-way merger scheme to take effect if only two of the unions' memberships voted accordingly. The principles on which a two-way merger would occur was to be the same as the three-way plan. The alternative scheme was necessary because there was sufficient concern, held by a number of senior Equity and ATAFA officers, that the opposition case organised within the AJA (see Chapter Seven) may result in the AJA membership failing to endorse the proposed merger.

The desire to preserve the constituent unions' identities within a merger organisation clearly shaped the way in which the negotiations proceeded. This became most apparent as all three unions sought to ensure a relative advantage over the allocation of positions, the governance structures and the naming of the new union. These issues are dealt with in turn.

The Allocation of Positions

Job security of trade union officers' positions following merger is a common issue in negotiations (Martin, 1980, p. 79; Willman *et al.*, 1993, p. 98). Given the stated objective of all three unions was to preserve current staffing levels, the negotiators agreed that initially there would be duplication in elected union positions (at least to the first set of elections). There were to be twelve federal officers: a full-time federal president, three honorary deputy federal presidents, three honorary federal vice-presidents, two full-time federal secretaries and three full-time assistant federal secretaries. At the branch level there was also to be joint secretaryships in South Australia, Victoria, and Queensland in recognition of the difficulties the three unions were having in deciding who would occupy the most senior position in these states. The term of office for full-time elected officers was set at four years whereas it was two years for honorary officers.

The filling of top officers' positions is a contentious issue in union merger negotiations, particularly when the merger takes the form of an amalgamation (Strauss, 1993). While determining the positions required for

the new union was relatively straightforward, who (or which union) would occupy those positions was considerably less so. Consequently, there was much intra- and inter-union manoeuvring for the occupation of positions as factors such as the experience of the individual officer, merit and ability, the relative size of each of the three unions in each branch and nationally, and the need to ensure adequate representation by women were matters that all needed to be balanced.⁵⁵

Brinkmanship was observed during this process and ultimatums were delivered by, for example, the ATA EA which, despite its predicament, attempted to secure as advantageous a position as possible for itself. Of the three unions, the ATA EA was set to receive the lowest level of representation in the new union's governing structures. In this regard, the watershed case for the ATA EA, much to the annoyance of Equity which believed that it should have the position, was to ensure that it secured the office of joint Victorian branch secretary. The Victorian branch of the ATA EA was the largest branch of the association and to be by-passed in favour of Equity and the AJA in the allocation of senior positions in this state, would have been unsatisfactory not only to members in Victoria, but the ATA EA membership more generally.

The ATA EA claim for a senior elected position in the Victorian branch was all the more imperative given that the union's NSW branch secretary was not seeking an elected office in the new union within that state. Rather, he had had a change of mind and only sought a senior industrial officer's role in the post-merger branch as opposed to his earlier preference for a federal officer's position.⁵⁶ As noted on page 181, the NSW secretary of the ATA EA had expressed reservations about the inclusion of the AJA in the then Equity-ATA EA negotiations to forge a three-way merger. He was also reluctant to mirror the proposed federal merger with a merger of his state-registered

⁵⁵ Interviews with K. Nomchong, 15 June 1994; H. Manley, 15 February 1995.

⁵⁶ Letter from M. Taylor (ATA EA) to N. Steer (Equity), 1 October 1991.

organisation. In NSW, the ATA EA had a functioning and active state union whereas Equity did not. Arguably, the decision by the NSW secretary of the ATA EA not to seek an elected position may signal some dissatisfaction with the shape of the proposed organisation and why, in the post-merger environment, the ATA EA state-registered union seceded from the MEAA (see Chapter Eight). In the end the ATA EA did manage to secure the position in Victoria.

Initially, the federal president was taken by the ATA EA with the two joint federal secretary positions occupied by the AJA and Equity. However, this allocation was opposed by some within the ATA EA who believed that their union should be equally entitled to the joint position of federal secretary. If their claim could not be achieved, the ATA EA proposed that three positions - federal president, federal secretary and deputy federal secretary - be established and that they be considered equal positions and required to consult each other on all matters. This proposition was rejected by the AJA and Equity and it seemed there was little the ATA EA could do to convince them otherwise. Following agreement on this matter, determining the other federal positions became straightforward. The three unions were each assigned one of the three deputy federal president positions, the three federal vice-president positions and the three assistant federal secretary positions. In this way, the representation among the national officers appeared comparable.

A summary of the transitional federal and branch positions within the new organisation until the first set of elections in mid-1993 is set out in Table 10 below (the number in brackets represents voting strength on federal executive). The total number of votes that could be exercised by the officers of the three unions on the transitional federal executive appeared similar, though not identical. The AJA had 29 votes, Equity had 26 votes and the ATA EA were entitled to 25 votes. Further, the AJA clearly had acquired more regional influence. This stemmed from the pre-merger situation where

the AJA had more developed and sizeable operations outside of NSW and Victoria than did either Equity or the ATA EA.

Table 10: The Allocation of Positions within the MEAA

federal president	ATAEA (5)
deputy federal president	Equity (1), AJA (5), ATA EA (5)
federal vice-president	Equity (1), AJA (5), ATA EA (4)
federal secretary	Equity (0.5), AJA (0.5)
assistant federal secretary	Equity (1), AJA (1), ATA EA (1),
NSW president	AJA (1)
NSW secretary	Equity (17)
NSW assistant secretary	ATA EA (1)
Victoria secretary	AJA (7.5), ATA EA (7.5)
Victoria assistant secretary	Equity (1)
Queensland secretary	AJA (2.5), Equity (2.5)
South Australia president	AJA (1)
South Australia secretary	Equity (1), ATA EA (1)
W. Aust. secretary	AJA (2)
W. Aust. assistant secretary	Equity (1)
Canberra secretary	AJA (2)
Northern NSW secretary	AJA (1)
Tasmania president	AJA (0.5)
Tasmania secretary	ATA EA (0.5)

In addition to preserving the jobs of their employees, there was also a commitment by the unions to protecting the employment conditions of all staff. However, an attempt would be made to try to equalise wages and conditions between employees of the three unions. There was, for example, considerable variation in the employment conditions between the AJA, Equity and the ATA EA. Even within the three organisations there were notable differences. Prior to October 1991 when the ATA EA operated a

decentralised structure, branches were provided considerable scope to determine the salaries of its elected full-time officers. In the comparably-sized Victorian and NSW branches, the secretary of the former was paid \$36,000 (plus car) while the secretary in the latter branch received \$51,000 per annum. The association's federal secretary received nearly \$43,000 per year. This situation stands in contrast to the both the AJA and Equity where the federal secretary was the highest paid full-time officer. Further, the Victorian secretary of the AJA and Equity received \$49,000 and \$40,000, respectively, per year, while the NSW secretary of the AJA and Equity received an annual salary of \$48,000 and \$42,000, respectively.⁵⁷

The desire for uniform work conditions effectively meant the proposed union was committed to providing conditions to its staff enjoyed by those currently employed by the constituent partner which paid the highest salaries. This position contained substantial cost implications particularly as each union had already promised its membership that fees would not rise following the merger.⁵⁸ To rationalise staff employment conditions between the three unions would invariably require subsidisation by the more financially affluent sections of the new union. However, it was expected by the officers of all three unions that any increased salary costs would be partially offset by the rationalisation of positions over time. For example, there would be two full-time federal secretaries only until 1995; following this date the number would be reduced to one. In addition, it was envisaged that any full-time federal or branch president positions would eventually revert to honorary (unpaid) status.⁵⁹

⁵⁷ These figures are found in AJA Circular Memo 150/91, 31 May 1991.

⁵⁸ The position of the ATAEA had been that a standardisation of fee structures, to be achieved by gradually increasing the financial obligations of its members, would better enable the viability of any new union over the long term. (See Minutes of ATAEA federal council meeting, 2-4 May 1990). Fee standardisation would also help ensure that no single section could increase its representation on governing bodies by raising its fees beyond that paid by other sections.

⁵⁹ See *The Journalist*, August 1991, p. 8.

Union Governance and Structure

The governance and structures of a post-merged union are usually determined during the course of the negotiations (Chaison, 1986). These are now described. While federal council would be the supreme policy-making body of the new organisation, the supreme decision-making authority ultimately rested with a membership vote by way of a plebiscite. Decisions of federal council, for instance, could be challenged by a plebiscite and such reviews were able to be triggered by a petition of five percent of the national (financial) membership. It was agreed by the three unions that federal council would consist of the twelve federal officers, two representatives from each (geographical) branch with voting power proportional to the size of their respective branches (due to their size the NSW and Victorian branches had an additional representative who was the assistant branch secretary), and twenty-five (sectional) delegates with voting power also depending on the size of their section. Collectively, the branch representatives (specified as the secretary and president in each branch) and the section representatives were able to exercise the same voting power. Thus, representation in the proposed union would be based on a mix of geographical and sectional structures.

Politically, sectional representatives were seen as critical by all three unions in the formation of a new media and entertainment organisation. This was because the creation of sections, based on the constituent unions, ensured that the three organisations were able to preserve their respective levels of autonomy and independence over professional matters. This is consistent with hypothesis three. In the case of the AJA this principally meant exclusive control over the Code of Ethics, for Equity it meant policy control over imported artists, and for all three unions it meant sole authority over any decisions relating to international and/or political affiliations. Thus, it was the individual sections and not federal council which had final decision-making power over such issues. In reality, however, control over affiliations

was tempered slightly by the need to secure budgetary approval from federal council (see item 1 in Appendix Two).

The new structure would contain eleven sections. These are shown in Table 11. Each union member would be assigned to one or more sections, although for voting or representational purposes they could only be counted for their principal section.

Table 11: MEAA Membership Sections

from the AJA	- book industry - commercial and industrial artists - AJA
from the ATA EA	- film and television technicians - outdoor staff - theatre staff - cinema staff
from Equity	- actors - dancers-singers - variety artists - extras, announcers and others

While it was decided by the three unions that one of the representatives from each branch on federal council would be its secretary, there was initially some disagreement as to the second representative. The AJA and the ATA EA believed that this person should be the branch president whereas Equity argued that it should be a delegate selected by the branch council. The former position was eventually agreed upon. In addition, by mid-1991 the parties had not yet determined whether federal council would meet face-to-face annually or biennially; however, it appeared that in the end financial

considerations would resolve the impasse.⁶⁰ As events have unfolded federal council does meet every two years. This is not altogether unexpected as the AJA and the ATA EA were both experiencing financial problems in the period leading up to merger (see Chapter Four).

Below federal council was to be the union's federal executive (to meet face-to-face at least twice annually). Federal executive was to comprise the twelve federal officers plus the secretaries of each branch and assistant secretary in the case of Victoria and branch president in the case of NSW. Thus, there was substantial overlap between the composition of the federal executive and federal council. The branch secretaries could exercise a vote on federal executive in accordance with the proportional size of their memberships. On a day-to-day level union affairs were to be managed by the federal management committee. This would consist of six people: the federal president, three deputy federal presidents and the two federal secretaries.⁶¹

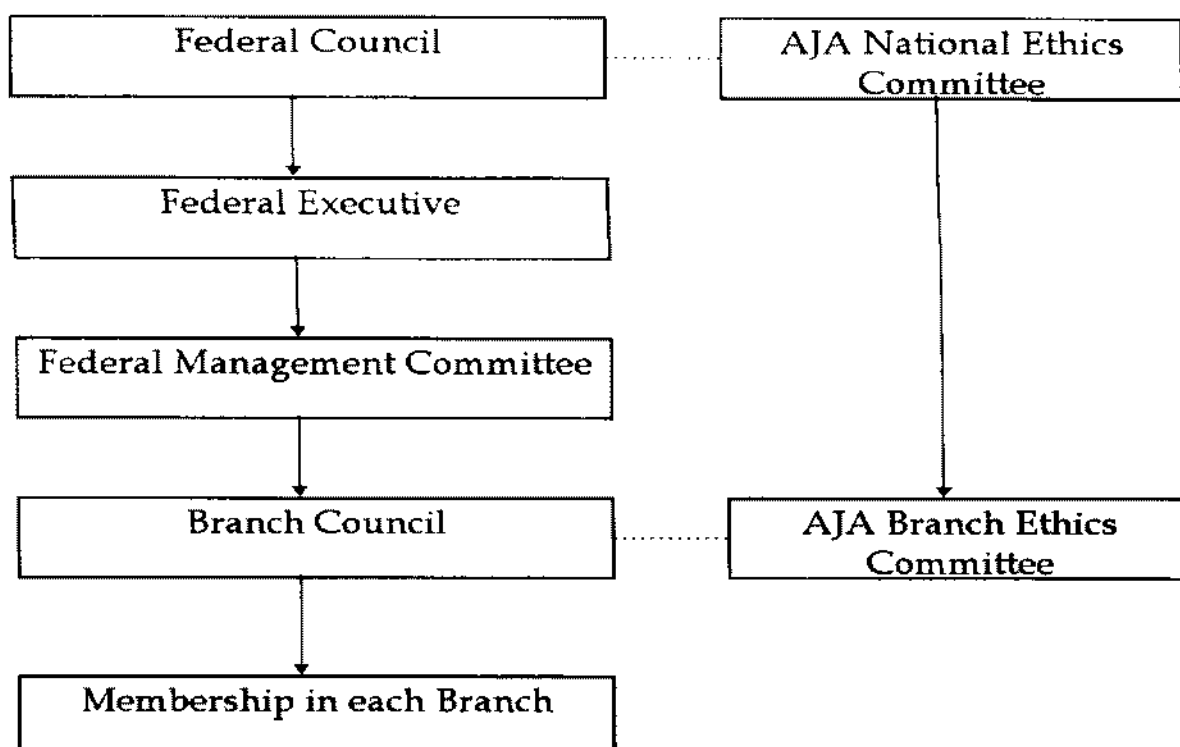
A further layer in the new union's structure was the branch council. This body, which was to meet at least monthly, consisted of the branch officers (president, three vice-presidents and secretary) and a total of twenty-five section representatives. The number of representatives from each section was contingent upon the section's level of membership in each branch. As with federal council there was opportunity for membership control over branch decision-making.⁶² In the case of branches ten percent of the branch's financial membership was required to initiate a plebiscite of branch council decisions (see Figure 7 below).

⁶⁰ Minutes of AJA, Equity and ATA EA merger meeting, 21 June 1991. While it was finally agreed that, where possible, federal council would meet annually, there was a strong possibility that it would actually meet every two years. (See Minutes of MEAA federal council meeting, 24-27 November 1992).

⁶¹ See MEAA Rules.

⁶² The minimum percentage of membership necessary to trigger general meetings or plebiscites was agreed early in the three-way negotiations (See Minutes of AJA, Equity and ATA EA merger meeting, 14 June 1991).

Figure 7: MEAA Organisational Structure



The allocation of delegates elected from each section on branch council was proportionally based on *fee or subscription income*. This was strongly opposed by the then ATA EA federal secretary. The logic of this decision, jointly promoted by the AJA and Equity, was that relative membership representation needed to balance the rights of members in regular full-time employment and those who worked only intermittently.⁶³ A membership formula was developed which took the fee or subscription income of each union and divided it by a nominal figure of \$160 per member to determine representation for the various sections. This produced a notional figure on which membership representation could be determined. The subscriptions paid by the AJA membership were the highest and those paid by ATA EA members the lowest: in 1989 subscription income for the AJA was \$2.22m, for the ATA EA it was \$1.11m, while the corresponding figure for Equity was \$1.51m. The formula therefore tended to favour the AJA which had a higher

⁶³ Interview with C. Smyth, 8 February 1996.

level of fee income than the other two unions because of its greater proportion of full-time members. Such criteria would likely to have reinforced the perception that the ATA EA would become marginalised in the new union.

The Naming of the Union

One of the key issues that the three unions wanted to avoid or at least minimise as a result of merger, was the perceived loss of identity by each of their respective memberships. The unions' existing names had each received high levels of membership recognition and attachment and while the new sectional-based structure of the proposed union mitigated the loss of organisational identity for each of the AJA, Equity and the ATA EA, careful consideration to the name given to the new union was required. The process of selecting an appropriate name was not without its controversy.⁶⁴

Selecting a name for the new union involved the three unions first deciding on how they would arrive at a suitable name. In the case of the ATA EA, for example, each branch discussed the matter and generated three names for consideration. In the event, the Victorian branch decided on the "Federated Entertainment and Media Union", while the NSW branch favoured the "Media and Entertainment Union". The South Australian branch was also amenable to the general intent of either of these names.⁶⁵ This list was then further debated at the federal level of the organisation so that the union's negotiators had a clear understanding of its preferences.

From this point, the negotiators of all three unions established a sub-committee consisting of the ATA EA federal secretary, Equity's federal president and a senior industrial officer from the AJA. The task of the sub-committee was to assess the various names put forward to it and then

⁶⁴ Interviews with M. Crosby, 24 October 1995; C. Warren, 1 July 1997.

⁶⁵ Minutes of ATA EA federal executive telephone meeting, 17 September 1991.

produce a short-list from which the wider inter-union merger committee could decide. This process reveals that the sub-committee was not delegated with the final responsibility of choosing a suitable name for the new union.⁶⁶

Some of the name proposals generated included:-

- The Media and Entertainment Alliance
- Media and Entertainment Union
- The Media, Entertainment and Design Industry Alliance
- Media and Entertainment Equity Australia
- The Media and Entertainment Union of Australia
- Media, Theatrical and Performers Association of Australia
- The Amalgamated Media Workers Union
- Alliance of Media Unions
- Alliance of Media and Entertainment Unions

Discussions over the name continued through to at least the end of the 1991. The recommendation of the naming sub-committee was the "Media and Entertainment Association". The three members of the sub-committee found that this name represented the best compromise as the AJA favoured the term 'alliance' (the ATAEA did not), Equity preferred the term 'equity' somewhere in the name (the AJA did not), and the ATAEA strongly supported the term 'union'.⁶⁷ However, this recommendation was varied slightly by the principal AJA, Equity and ATAEA negotiators to the "Media and Entertainment Alliance".⁶⁸ This unilateral variation was made much to the chagrin of most sections of the ATAEA as the inclusion of the term 'alliance' had been strongly opposed.

⁶⁶ Minutes of ATAEA federal executive telephone meeting, 8 August 1991.

⁶⁷ Letter from naming sub-committee to A. Britton (Equity), 22 October 1991; Memo from E. Thomson (ATAEA) to C. Warren, A. Britton and C. Livingstone, 18 November 1991.

⁶⁸ AJA Circular Memo 363/91, 12 November 1991. The term 'alliance' had always been one promoted by Michael Crosby, federal secretary of Equity (1982-1991) who, as early as February 1991, had wanted the name to be the "Media and Entertainment Alliance" (See Merger Report to Equity federal executive from M. Crosby, 28 February 1991).

This selection was not immutable but subject to approval from the branch-level of all three unions. The Victorian branch of the AJA, for example, preferred the name "Media and Entertainment Union", which was identical to the name selected by the NSW branch of the ATA EA. Of most importance to the ATA EA was the word 'union' somewhere in the title. Despite further debate, it seemed that the selection of 'alliance' by the principal negotiators was set. However, it could be argued that the term 'alliance' simply described a loose marriage of convenience between the three organisations and highlighted differences between members rather than similarities. The term, reflecting the sectional structure of the union, further suggests that member groups could choose to secede from the union in the future.

Following further lobbying efforts by Equity, the name of the organisation, "Media, Entertainment and Arts Alliance" (MEAA) was finalised in December 1991.⁶⁹ Given the non-inclusion of 'equity' anywhere in the title, the federal council of Equity had insisted on the term 'arts' being part of the name. It was argued that many members of Equity saw their work as more than simply entertainment. It is interesting to note that none of the constituent organisations had any part of their own names carried through into the name of the new union. This outcome was most likely the result of all negotiators having to compromise on what was achievable because groups within all three unions wished to see some continuity of their own union's name. Despite this, the name of the new union clearly indicated an organisation which sought the widest area of industrial coverage. Names which broaden the scope for recruitment may not only provide the basis for easier mergers in the future, but also discourage the entry of other unions into the areas covered (Plowman & Spooner, 1989, p. 107). The naming illustrates how the union proposed to position itself in its environment.

⁶⁹ Letter from C. Warren (AJA) to A. Britton (Equity), 6 December 1991; Minutes of ATA EA federal executive telephone meeting, 12 December 1991.

Running parallel with the actual negotiations were the campaigns organised by the unions to convince their respective memberships to support the actions of their leaderships. For the AJA at least, this involved a time frame of some eighteen months beginning August 1990. It was believed that a period shorter than this would be insufficient to convince the membership of the efficacy of merger while a campaign which ran longer than eighteen months would become a financial burden, allow opposition forces to merger to become better established, and in all likelihood result in a loss of membership interest.⁷⁰ In contrast, Equity and the ATA EA, which had little if any overt resistance to merger, did not start widely informing their members about the proposed merger until mid-1991. In some Equity branches, for example, active campaigning did not appear until the ballot was about to open; as late as February 1992 the Victorian branch considered the placement of newspaper advertisements and posters in the workplace urging a 'vote yes' merger vote.⁷¹ It was further recognised by all three unions that the campaign and supporting literature needed to be well co-ordinated so that the memberships of the AJA, Equity and the ATA EA received a consistent or uniform message.

To help defray some of the campaigning costs, the three unions sought resources from the federal government under its scheme to promote union restructuring. When the proposal was for a two-way merger between Equity and the ATA EA, \$70,000 was provided to the unions in 1990-91 and when the AJA joined these organisations in three-way discussions, a further \$40,000 was paid.⁷² The figure of \$110,000 was nearly 90 percent of the total requested by the three unions (\$125,000) from the Department of Industrial Relations for costs associated with merger. Notwithstanding the subsidy, the anticipated total expenditure on the merger by the AJA, Equity and the

⁷⁰ Memorandum from B. Ridgway (AJA) to C. Warren (AJA), 19 August 1990.

⁷¹ See Minutes of Equity Victorian branch committee meeting, 10 February 1992.

⁷² Personal correspondence to author from Department of Industrial Relations, 6 December 1994.

ATAEA was more than double this amount - \$252,400.⁷³ It would appear from this case that unions proposing to merge were still expected to contribute a substantial amount from their own funds to the process. Supporting hypothesis one, this shows how the execution of union strategic choice involves the allocation of organisational resources to achieve union goals.

Professional Rugby League Players Union

Upon its formation in mid-1992 the MEAA sought to bring into its organisation other unions which were consistent with its media and entertainment identity. In April 1993 the Rugby League Players Union was absorbed by the MEAA and became known as the Rugby League Players Association branch of the Alliance.⁷⁴ The negotiations which led to this result were conducted at the federal level of the MEAA and, in particular, by officers from the AJA side of the organisation.⁷⁵ For its part, the Rugby League Players Union had its president, plus some players' agents, on its negotiating committee. The composition of the Players' negotiating team was reportedly disliked by the MEAA because of the apparent conflict of interest of the agents.⁷⁶

Consistent with the MEAA's strategy to retain the identity of incoming groups, it was agreed that the Rugby League Players Union in NSW would constitute a separate branch rather than being assimilated into the existing MEAA NSW branch structure. In addition, the Rugby League Players branch would also form a separate section within the MEAA. Autonomy over all professional matters such as determining policy on a players draft and salary caps would be retained by the branch or section. The decision to create a new branch was reportedly

⁷³ Letter from C. Livingstone (ATAEA) to Department of Industrial Relations, circa July 1991.

⁷⁴ *Business Review Weekly*, 26 November 1993; *Workforce*, no. 931, 25 June 1993, p. 6.

⁷⁵ Interview with N. Steer, 30 April 1996.

⁷⁶ Interview with P. Moscatt, 21 June 1996.

taken because one of the MEAA's joint federal secretaries believed that an integration of state and federally-registered unions would contain inherent legal problems.⁷⁷ Thus, the union would have their own NSW branch executive and all eligible rugby league players were to become members of this branch irrespective of their geographical location. That is, players in Queensland were deemed members of the Rugby League Players' branch in NSW and not attached to the Queensland branch of the MEAA. The negotiations further agreed that given the nature of professional rugby league player membership (there were no female players), the affirmative action rules of the MEAA would not apply to the new branch or section.

Under transitional arrangements rugby league players were given representation on the MEAA's governing bodies. The rules of the MEAA were changed to allow an additional federal council delegate to come from the new branch. In addition, the new branch was entitled to two votes on the federal executive and federal council of the union. Such arrangements were to expire at the time of the union's biennial elections in 1995 when representation of the branch on these two bodies would be determined in accordance with MEAA's normal income-based formula set for all sections.⁷⁸ Given the low fees charged by the Players' Union it appeared probable that federal-level representation would diminish after 1995.

The offer of at least temporary representation on the MEAA's federal council was understandable since the Professional Rugby League Players Union had cash reserves of approximately \$120,000. Also to be transferred to the MEAA (upon a successfully-concluded merger) were contracts for income which amounted to some \$50,000 annually.⁷⁹ This income included sponsorship arrangements such as football chewing gum cards and was estimated by the MEAA to be more than sufficient to cover the costs of servicing rugby league

⁷⁷ Ibid.

⁷⁸ See Alliance memorandum no. 93078, 16 April 1993.

⁷⁹ See Rugby League Players Union financial statements, 31 December 1992.

players. It also appeared that the financial risk of merger to the MEAA was negligible as the Rugby League Players Union indicated that it had no substantial liabilities.⁸⁰

As was the case with the formation of the MEAA, federal government funding for legal and educational assistance associated with the merger was sought. The total cost of the combination to the MEAA was estimated at \$62,000 of which nearly one-third (\$19,500) was requested from the Commonwealth. The costs were acknowledged as quite high but the MEAA regarded the merger as establishing a template for further merger activity with other groups of professional sportswomen. Pursuing such groups in the future was therefore envisaged as being both easier and more cost effective.⁸¹

Artworkers Union of NSW

A similar set of negotiations and agreed outcomes to the Professional Rugby League Players Union was that conducted between the MEAA and the Artworkers Union of NSW. During 1992 a number of informal and preliminary meetings were held separately with each of the MEAA and the OPDU by the Artworkers Union. It soon became evident, however, that the OPDU were going to merge with the Construction, Forestry, Mining and Energy Union. The decision by the Artworkers' committee of management in March 1993 to pursue merger talks with the MEAA (see pages 156-158) effectively signalled the commencement of the MEAA-Artworkers Union negotiations. There were relatively few officers from the MEAA directly involved in negotiating the admission of the Artworkers Union into their organisation. The responsibility for this rested principally with one of the MEAA's assistant federal secretaries, Marion Jacka, with some input from its then NSW state secretary, Naomi Steer. The Artworkers Union merger sub-committee to negotiate with the MEAA

⁸⁰ Ibid.

⁸¹ Letter from C. Warren (MEAA) to G. Burke (Department of Industrial Relations), 9 July 1993.

comprised five persons including the union's secretary and assistant secretary. Early meetings between the two unions were reportedly aimed at becoming more familiar with the other organisation and discussing the benefits that merger would provide.⁸²

It was felt by some on the Artworkers Union merger sub-committee that the MEAA had a somewhat ambivalent attitude in negotiations due to the paucity of members and income that would be brought into the MEAA as a result of the absorption.⁸³ In real terms the Artworkers Union offered very few tangible benefits to the MEAA. This attitude supports hypothesis two in the study that unions will respond more to the demands of organisations and constituencies in the environment that control critical resources. From the MEAA's perspective, the Artworkers Union did not offer it key resources required for survival. The bargaining position of the Artworkers Union was relatively weak and therefore the union's negotiators were not able to secure many firm commitments or undertakings from the MEAA. However, access to office space, telephone reception services and managing Artworkers' membership records - basic, but important matters - were issues conceded by the MEAA. In addition, the Artworkers Union of NSW were given *listening* rights at the federal level of the MEAA structure. In this sense, some on the Artworkers Union merger sub-committee were surprised they managed to secure even this.⁸⁴

The merger negotiations were relatively short in duration (they were concluded in less than one year), partly because there were reportedly no problematic issues to contend with during the meetings.⁸⁵ Funding was also sought (and

⁸² *Artworkers News*, August 1993, pp. 2-3.

⁸³ Interview with C. Rogers, 30 August 1996. The perception of MEAA ambivalence towards the Artworkers Union was confirmed in conversations with leading MEAA officers (Interviews with N. Steer, 30 April 1996; M. Jacka, 19 July 1996). Moreover, there was no mention made of the negotiations or the agreement to merge in the MEAA's principal journal, *The Alliance*.

⁸⁴ Interview with T. Warburton, 26 September 1996.

⁸⁵ Interview with M. Jacka, 19 July 1996.

forthcoming) under the government's union restructuring programme to help underwrite the legal and educational costs associated with the merger negotiations. In this context, part of the negotiations process required the Artworkers Union of NSW to seek formal authorisation to merge vis-a-vis a postal ballot of all financial members of the union. This ran from 12 November to 3 December 1993.⁸⁶ Agreement to merge was finalised between the two unions and in February 1994 the Artworkers Union became part of the MEAA.⁸⁷ The rule changes necessary to transform the agreement into reality still required the approval of the MEAA's highest governing body - federal council. In addition and as an interim step, the federal executive of the MEAA was required to recommend resolutions to federal council that an Artworkers section be created within the MEAA and that a schedule of fees be set for the section for 1994. These two resolutions were carried unanimously in a postal vote of the MEAA's federal council declared in mid-1994. The MEAA have accommodated the Artworkers Union of NSW in its structure by simply broadening its rules to cover visual artists/artworkers.

Thus, while the Artworkers' and the Rugby League Players' were both absorbed by the MEAA, the latter union, due to its larger size and stronger income base, was able to secure more from the MEAA during negotiations. In addition, the merger with the Professional Rugby League Players Union was seen as establishing a precedent for merger involving other groups of sportworkers. Favourable terms offered to the Rugby League Players Union might entice other groups into the union. Previous research notes how small unions may sometimes benefit from being absorbed because of the 'costs' faced by larger unions in attracting merger partners (e.g. Snape & Bamber, 1989).

⁸⁶ *Artworkers News*, November 1993, p. 3.

⁸⁷ Alliance memorandum no. 94044, 25 February 1994; *Artworkers News*, August/September 1994, p. 1.

Musicians Union of Australia

There was considerable interest within the MEAA in attempting a merger with the Musicians Union and this was confirmed by the MEAA's highest governing body soon after its formation.⁸⁸ The process of negotiating the inclusion of the Musicians Union into the MEAA formally commenced in December 1992, with the two joint federal secretaries of the MEAA and a full complement of ten Musicians Union officers in a meeting conducted at the federal office of the MEAA.⁸⁹ It was optimistically expected by those present that the process would take no more than six months to complete. It has previously been found that when a quick settlement is required in negotiations, leading organisational members should be used in the process. In this respect, both the MEAA and the Musicians Union satisfied this condition (see Jackson & King, 1983). Perhaps the level of confidence in reaching a quick settlement also rested in part on the position, conveyed to the MEAA, that the federal executive of the Musicians Union had ostensibly taken in accepting the need for centralised funding. The MEAA appeared to be quite conciliatory at this first meeting, voicing reassurances that special arrangements to safeguard assets and buildings might be included in the merger agreement. This behaviour appears quite consistent with work that has found that negotiators tend to be more accommodating when they negotiate at their own office rather than on neutral ground or at their opponent's office (see Duane *et al.*, 1987). However, the MEAA by and large still did not believe that its current structures required significant modification in order to satisfy the concerns of the Musicians Union.

The Musicians Union sought a number of objectives in negotiations and while many of these were probably ambit claims the union attempted to secure for itself the best possible deal. Arguably, resistance to any of the union's demands

⁸⁸ Minutes of MEAA federal council meeting, 24-27 November 1992, item 62.

⁸⁹ Minutes of MEAA and Musicians Union merger meeting, 22 December 1992. While some concerns were raised later by the Musicians Union federal secretary about the cost of having such a large number of representatives in attendance, subsequent meetings with the MEAA (which were typically held in Sydney at the federal office of the MEAA) continued to attract a large Musicians Union negotiating team, which almost always tended to outnumber the MEAA negotiators.

by the MEAA would provide an on-going basis of opposition for those against merger. The key objectives included:

- to merge as equal partners
- to make 'one member, one vote' the basis for the internal voting system for a musicians' section of the MEAA, rather than income, as per the existing MEAA sections
- to secure for Musicians Union officers the positions of joint federal secretary, joint federal president, joint federal vice-president, and joint branch secretaries and presidents
- to substantially improve services to members (for example, to provide a legal officer for the section)
- to retain designated Musicians Union branches, including Broken Hill and Launceston, and
- to include the word 'music' in the title of the merged union.⁹⁰

Moreover, the Adelaide branch of the Musicians Union wanted guarantees concerning its assets and autonomy and, while the Melbourne branch also held similar concerns, it sought a membership-wide plebiscite on the question of merger to try and derail the whole issue within the union. In order to neutralise some of the resistance in negotiations (but probably served to inflame the process instead) the pro-merger Musicians branches launched an initiative. In early 1993 Sydney and Perth branches sought clarification through a Federal Court application in what would have been a typical *Moore v. Doyle* case to interpret the union's rules of ownership over branch property and assets.⁹¹ In particular, these branches wanted to determine whether the union's federal council had final authority over property and assets. If this could be demonstrated the current organisational and financial power of the branches

⁹⁰ For a comprehensive list of these bargaining claims refer to Minutes of MEAA and Musicians Union merger meeting, 14-15 September 1993.

⁹¹ *Moore v. Doyle* (1969) 15 Federal Law Reports 59. The principle established in this case provided that a state branch of a federal trade union would be regarded as a separate legal entity independent of the federal union if it registered under state legislation.

would diminish, thereby improving the likelihood of a merger. However, on legal advice, the decision to proceed with the legal challenge was rescinded.⁹²

As had been the case which led to the formation of the MEAA, both the MEAA and the Musicians Union used solicitors in the wider context of the negotiations process to discuss and clarify issues pertaining to the drafting and implementation of rules. The inclusion of solicitors as external agents does not suggest, however, that these were necessarily passive participants. For example, it was proposed by counsel representing the Musicians Union that an escape clause be inserted in the merger agreement that provided the union with an opportunity to secede from the MEAA if the need arose (within the first five years). This proposition was, of course, rejected by the MEAA, which maintained that it was simply a decision to postpone merger.⁹³ It was regarded as highly unsatisfactory that the MEAA be responsible for the debts of the Musicians Union, only to have that organisation secede from the MEAA (without contributing any resources) should it so choose. As events have turned out, the MEAA would not have been able to stop the Musicians Union from withdrawing from the merger, as provision was made in the *Workplace Relations Act 1996* for the 'dis-amalgamation' of trade unions.

Earlier studies have noted that it can be extremely difficult for those negotiating union mergers to resolve differences regarding structural matters (e.g. Chaison, 1996, p. 11). Sensing that concessions would have to be made to overcome the overt resistance to merger, the MEAA agreed to allow the Musicians Union to maintain its own structures within the MEAA in the *short* term, thus further complicating any merged union's structure. This solution would see a parallel structure operate in the MEAA whereby the Musicians Union would form the National Music Division of the MEAA and existing branches of the Musicians Union would become part of this division, not integrated with extant MEAA branches at the time of merger. Funding for divisional activities was to be

⁹² Minutes of special Musicians Union federal executive meetings, 10-12 February 1993; 17-19 March 1993.

⁹³ Minutes of MEAA and Musicians Union merger meeting, 14-15 September 1993.

supported by the division.⁹⁴ This 'autonomous' model was accepted by the Musicians Union (see Appendix Three for details of the merger agreement). Supporting hypothesis two, the relatively favourable terms of the merger agreement suggest that for the MEAA, the Musicians Union was an important organisation in its environment controlling important jurisdictional, membership and financial resources. The merger would allow the MEAA to consolidate its position as the *principal* union in entertainment.

The tone of the negotiations was generally described by key participants as not entirely cordial and, when combined with a frustrating sense of constantly shifting positions by the Musicians Union, thus prolonged the process, thereby affecting levels of commitment.⁹⁵ There were some notable inconsistencies in the position taken by the Musicians Union. While some branches did not want to surrender their property and assets, criticism was nonetheless levelled at the highly sectionalised structure of the MEAA, whereby each of the constituent unions retained its own professional identity. The view was put that merger with the MEAA would fail to provide a stronger, more united and cohesive trade union.⁹⁶

Discussions were still being conducted by the MEAA and the Musicians Union in 1994. Resistance was still evident from the Melbourne branch, which maintained that the two-year transitional arrangements proposed by the MEAA were simply a period for which the latter was prepared to patiently wait before it would secure control over Musicians Union assets. That is, the branch believed that the interest of the MEAA in the Musicians Union was more to do with gaining access to its assets (the merger agreement provided for a centralised funding model) than with the rhetoric that espoused the benefits of rationalised union structures. At that time, doubts were being expressed about the financial strength of the MEAA. The branch was adamant that it would not combine with

⁹⁴ Letter from C. Warren (AJA) to J. McAuliffe (Musicians Union), 22 November 1993.

⁹⁵ Interviews with N. Steer, 30 April 1996; J. McAuliffe, 31 May 1996.

⁹⁶ Interview with M. Stead, 9 July 1996.

the MEAA unless its assets continued to remain under the exclusive control of the branch beyond the expiration of the merger transitional arrangements.⁹⁷ The Adelaide branch of the union held a similar view. In line with the central thesis argument, this suggests that the environment experienced by certain Musicians' branches was not a sufficient threat to their survival and viability. Under such circumstances, the study contends that there is little likelihood of union officers leading their organisations into a merger. This conclusion is further demonstrated in the following chapter.

Despite additional promises and concessions from the MEAA concerning safeguards, the opposing Musicians' branches remained unconvinced. The intransigence remained even when the MEAA altered its negotiating team somewhat to bring in its NSW branch secretary to play a 'peacemaker' role in discussions. While having an Equity background, this person was apparently regarded as less threatening to the decentralist or pro-branch structure officers of the Musicians Union than the pro-centralist MEAA officers who had been conducting the negotiations up to that point. Moreover, the branch secretary was not tainted with recent historical dealings between Equity and the Musicians Union, which seemed to be a constant source of friction for the latter.⁹⁸ It was clear by this stage, however, that conciliation was now required to overcome the impasse that had developed in the negotiations; the parties sought to involve the ACTU president, Martin Ferguson, in chairing any future meetings in which non-agreed issues were discussed (Michelson, 1997, p. 321). In mid-1994 Ferguson presided over some of these negotiations, including sessions conducted in Melbourne and Adelaide, where resistance was most

⁹⁷ Letters from M. Stead (Musicians Union) to J. McAuliffe (Musicians Union), 21 April 1994, 5 May 1994; Australian Industrial Registry re: no. D20009/94, 129V, letter from Walford, Rothwell and Treloar (chartered accountants) to Musicians Union Melbourne branch, 8 November 1994.

⁹⁸ Interview with N. Steer, 30 April 1996.

apparent.⁹⁹ However, the involvement of the ACTU came too late to overcome the opposition, which by then had gathered considerable momentum (see Chapter Seven).

Conclusions

Using a series of case studies from the media and entertainment industries, this chapter has explored the negotiations stage of the trade union merger process. It has shown that the negotiations for an amalgamation (Equity and the ATAEEA; the AJA, Equity and the ATAEEA) were more difficult than those for an absorption (the ACIAA by the AJA; the Professional Rugby League Players Union and the Artworkers Union of NSW by the MEAA). This supports the finding of others (e.g. Chitayat, 1979). To the extent that mergers among unions do not involve the joining of two or more equal partners, the notion of power is introduced into the merger process. Power differentials between the merger participants is likely to affect the character of the merger process with absorbing and absorbed unions assessing their situations somewhat differently. Notwithstanding this difference, the offer of some degree of participation in the MEAA's governing structures was made to the Rugby League Players' and Artworkers' Unions. This also occurred with the earlier absorption of the ACIAA by the AJA. The unions were also given considerable autonomy within the MEAA, a factor which has been found to be a common inducement to incoming unions in merger negotiations (Griffin & Giuca, 1986; Undy *et al.*, 1981).

The chapter has also confirmed the important role played by one internal factor - trade union leaders - in the union merger process. Senior union officers from all unions examined were instrumental during the negotiations. In some cases, their influence was considerable as in the case of Equity's Michael Crosby shaping the nature of discussions. The union's decision to

⁹⁹ Minutes of MEAA and Musicians Union merger meeting, 28 April 1994; Alliance memorandum no. 94129, 6 June 1994; Facsimile from J. McAuliffe to Musicians Union federal executive, 14 July 1994.

purchase a new building was part of its long-term strategy to form a 'media alliance'. In the AJA/Equity/ATAEA amalgamation negotiations the leaders of all three unions sought to position their organisations in as advantageous a position as possible; the AJA made it clear it wanted the maintenance of its eight existing branches, Equity wanted its entrance fee income counted for the purposes of determining its representation on the new union's governing bodies, while the ATAEA demanded the position of joint Victorian branch secretary. While each satisfied its respective goal in these cases, their achievement was most difficult. The case of the MEAA/Musicians Union negotiations was similar in that the latter union sought the retention of their structures and organisational identity.

Finally, and related to the previous paragraph, the chapter has shown how the integrated strategic choice-resource dependence perspective also operates inside organisations. By focusing on two sets of negotiations - the AJA/Equity/ATAEA and the MEAA/ Musicians Union negotiations - the analysis revealed how the respective organisations, through their leading officers, sought to manage their external dependencies by not only seeking a merger, but in doing so, to secure, if possible, more independence and freedom from its existing constraints. In the case of the first amalgamation, however, it appeared that the weaker organisational position of the ATAEA, brought about by external and internal disputation, weakened the union's position in negotiations. In the latter case, the not inconsiderable financial, jurisdictional and membership resources provided the Musicians Union with substantial bargaining leverage with the MEAA. The integrated perspective is also useful in explaining the ambivalence of the MEAA towards combining with the Artworkers Union of NSW. The Artworkers Union did not, for all intents and purposes, offer the MEAA critical resources. This militated against the active pursuit of the small visual artists union by the MEAA. The theory argues that unions, through the exercise of strategic choices by those in positions of power, will respond more to those groups

and organisations in their environment that control resources perceived as imperative to their survival and viability (see hypothesis two).

Having examined the media and entertainment unions' merger negotiations, attention now shifts to explore the opposition, foreshadowed in this and earlier chapters, existing within both the AJA and the Musicians Union. An analysis and comparison of both cases is provided in the next chapter.

CHAPTER 7: OPPOSITION TO MERGER

Introduction

While it is acknowledged that, on occasion, external opposition to merger may arise (see Mitchell, 1996, p. 35), it is more typical that merger opposition has its source within unions (Chaison, 1996, p. 9). Others agree with this observation by arguing that employer attitudes and actions are of little consequence in influencing trade union merger activity (Undy *et al.*, 1981, p. 329). This is not to deny an association between trade unions and employer actions (Waddington, 1995); rather, it is to contend that employer opposition to merger is unlikely to explain, in the majority of cases, whether two or more unions will or will not combine their organisations. In the present study this view was upheld as there was little evidence of external opposition to the proposed mergers.

While opposition was evident within earlier stages of the trade union merger process (for example, the selection of partners and merger negotiations), this chapter focuses explicitly on the overt opposition to the formation of the Media, Entertainment and Arts Alliance (MEAA) and its subsequent attempt to combine with the Musicians Union of Australia. In both cases there was substantial and sustained opposition to the proposed mergers. However, there was also a key difference; despite opposition from within the Australian Journalists Association (AJA) the union's membership nonetheless voted in favour of joining with Equity and the Australian Theatrical and Amusement Employees Association (ATAEA). In contrast, the level of opposition within the Musicians Union was sufficient to ensure that a ballot or referendum of the membership voted against combining with the MEAA. The purpose of the chapter, therefore, is to both compare and contrast the two cases of opposition, in the process identifying those factors that appear to be critical in explaining why opposition to merger is both likely to succeed or fail. Part of this inquiry will involve an examination of

the 'vote yes' and 'vote no' merger campaigns organised within the respective unions. Each case concludes with an analysis of the membership ballot results.

Media, Entertainment and Arts Alliance

Of the three organisations working towards forming a new entertainment union - the AJA, Equity and the ATA EA - it was in the former where opposition to merger was sufficiently pronounced to cause concern to the leadership of not only the AJA, but the other two unions as well. It was by no means assured that the AJA membership would sanction the merger being pursued by the majority of the union's leading officers. In part, this concern was reflected by the alternative two-way merger schemes should any one of the unions fail to support the three-way merger (see pages 183-184).

There had been little, if any, opposition within the AJA to its merger with the much smaller ACIAA in late 1991.¹ This suggests that internal barriers to merger may depend on a number of circumstances peculiar to each case. For all intents and purposes the earlier absorption of the ACIAA did not change the AJA's governing structures and organisation. The proposed merger with Equity and the ATA EA, which is better described as an amalgamation of relatively similar-sized unions (cf. Chaison, 1986), threatened the status quo of the AJA. Stemming largely from this fundamental difference in the nature of the merger process, opposition emerged. The first half of the chapter will examine the reasons for opposition within the AJA and the means by which the pro-merger and anti-merger groups sought to achieve their respective objectives.

¹ AJA Circular Memo 316/91, 11 October 1991.

Reasons for Opposition

The basis for opposition within the AJA centred around a number of key arguments. First, there was a desire by many to maintain organisational independence or autonomy. The constitution of the AJA itself reinforced a culture of independence. For example, the rules of the union prohibited overt political involvement and the union eschewed political party affiliation (Lloyd, 1985). Opponents believed that a merger with Equity and the ATAEA, which were both affiliated to the Australian Labor Party, would compromise journalists' sense of political independence, impartiality and integrity. This, in turn, would introduce bias into news collection and reporting. To these people, therefore, the proposed amalgamation represented *less* freedom and autonomy from external constraints.

In addition to the apolitical nature of the AJA's external relationships, the union's membership had also demonstrated antipathy towards developing close relations with the wider labour movement (see Lloyd, 1985, p. 289). While the union had conducted numerous membership plebiscites on the issue, the AJA still stood as one of only a few medium-sized unions unaffiliated to the Australian Council of Trade Unions (ACTU) in the early 1990s. Again, merger critics within the AJA were concerned that by combining with Equity and the ATAEA, both of which were ACTU-affiliates, that the AJA would become an affiliate of the ACTU *by default*. This implied association would stand in contrast to the collective views of the AJA membership which had always voted against joining the ACTU (see Table 4 on page 78).

The union's culture of political and industrial independence was further used by opponents to reinforce the historical view, used in the 1960s and 1970s, that the AJA was *sui generis* or different from other registered organisations. The doctrine of *sui generis* was seen as providing some scope for the AJA to argue, if it so desired, that it was a special case and because of this, circumstances existed that would allow it to stay an autonomous body.

Embedded within the prevailing culture was a desire by opponents to retain the sense of history, tradition and professionalism that had developed since the AJA was first formed. It was believed that these elements would be lost if merger proceeded.²

This fear was exacerbated by merger critics. Under the *Industrial Relations Act 1988* there needed to be a 'host' union with which the other organisations merged (s. 238). In the present case, the 'host' union was to be Equity with the AJA and the ATA EA to be de-registered if the membership ballots were successful. Equity was selected as the merging organisation in order to minimise the amount of government stamp duty payable on property transfers in the new union. In Sydney, where the federal office of the new media and entertainment union would be located, Equity already had substantial property holdings (page 172). The decision to make Equity the 'host' union was a pragmatic one, designed to make financial savings for the merged union. However, the prospect of AJA de-registration only further reinforced in opponents minds, the wiping away of the AJA's heritage and very existence. Critics of merger believed, therefore, that the AJA's attempt to manage its dependencies would *detract* from, rather than guarantee the survival of the organisation. From the perspective of the AJA's merger opponents, hypothesis three was not supported.

A second factor of concern to opponents if merger proceeded was the status of the NSW Journalists' Benevolent Fund. This fund was designed to assist journalists and their dependents and was independent of any monies owned by the AJA federal or state offices. Concern that control of this fund would be lost for journalists fuelled opposition. There was some substance to this concern as the AJA had apparently indicated during negotiations with Equity and the ATA EA that it had significant financial resources, albeit tied up in different accounts. It was not until after the merger had transpired, that

² President's Report, AJA NSW branch annual report (30 June 1991); Interviews with G. Cantlon, 4 December 1995; J. Lawrence, 28 June 1996.

the actual ownership of the funds became clear for the other two unions; the funds referred to were owned by a body closely linked to the AJA, but not the AJA itself.³

The desire of craft or occupational unions in Australia to maintain their independence has militated against merger (Brooks, 1981; Davis, 1990; Isaac & Ford, 1971). Stemming from this feature was the third major argument raised by merger critics within the AJA - the choice of amalgamation partners. The logic of combining with Equity and the ATAFA was questioned by some who argued that sharing the same or similar employers (the 'industry union' model) may not necessarily be the most appropriate basis on which to promote merger between different unions. A number of members, for instance, failed to see the connection between journalists on the one hand, and performers, stunt workers, stage hands and amusement arcade workers on the other.⁴ Some of the sentiments contained in correspondence sent to the union are reproduced below:

Surely (journalism is) a profession beyond the basic precepts of entertainers?

Actors Equity are considered in the trade as the greatest bunch of yoyos...joining such a union...will only go to further reduce our credibility in the market place.

I agree with amalgamation. But with fucking actors??? Have you all gone loopy?...Mate, you'll have my resignation the day you join up with the scumbags of Actors Equity.

Underlying these concerns was not necessarily rejection of the idea of merger *per se*, but a need to search for more suitable allies. While the formation of a 'media alliance' was argued by the AJA's leadership as helping to strengthen

³ Interview with M. Taylor, 18 November 1996.

⁴ Occasional newsletter of the AJA Darwin sub-branch, August 1991; *The Journalist*, July 1991, pp. 4, 9; December 1991, p. 8; Interview with G. Cantlon, 4 December 1995.

the position of the union, particularly in areas where it was weak such as radio and television, some journalists employed in newspapers (where the majority of the membership worked) expressed doubts about the proposed merger. Concerns were raised by journalists that combining with Equity and the ATA EA would fail to provide more industrial strength in the core newspaper area.⁵ In addition, there was a fear that the leadership of a merged union representing such a diverse range of occupations and industry sectors may be more likely to unilaterally change policies and rules to the detriment of journalists.⁶

Consistent with hypothesis two, *if* merger was to occur, a more logical partner for the critics was with the Printing and Kindred Industries Union (PKIU). This was because the PKIU, rather than Equity and the ATA EA, was believed to control important organisational resources for the AJA. In newspapers, the PKIU was the other major union and made sense to many journalists who worked alongside printers (Campling & Michelson, 1997, p. 226). However, as discussed in Chapter Five the PKIU were themselves looking for a merger partner that could offer them greater organisational security and stability than what could be offered by the media and entertainment unions. It was only in the Victorian branch of the PKIU that there was any support for a merger with the AJA, Equity and the ATA EA. Thus, any prospect for a merger involving the PKIU rather than Equity and the ATA EA, was most unlikely.⁷

The Mobilisation of Opposition

Predominantly, support for the 'vote no' merger case, organised by Gavin Cantlon (NSW branch secretary 1979-87 and branch president 1988-91) and John Lawrence (federal president 1973-86), came from within the state of

⁵ Minutes of AJA SA branch committee meeting, 10 July 1991.

⁶ *The Journalist*, August 1991, pp. 6, 14.

⁷ Interview with B. Porter, 24 October 1995.

NSW. This involved two separate branches - NSW and Northern NSW. As a result both of having a major award and the long establishment of this media form, journalists working in metropolitan daily newspapers were regarded as one of the most militant groups in the AJA (Bray, 1985). However, and stemming from widespread technological change and belligerent employers, the union's militancy seemed to be concentrated largely within the state of NSW (Bray, 1985; Lloyd, 1985).

It was the view of the union's federal secretary that one leading source of opposition to merger in the NSW branch came from the metropolitan daily newspapers. Here, journalists worked in large workplaces characterised by an already strong union presence. Supporting hypothesis four, the importance of this group within the AJA was recognised by the union's leadership since they were well serviced by industrial officers and other resources. In this context, it may have been difficult for journalists in metropolitan daily newspapers in NSW to see the need for merger in general, or for merger with two unions with high rates of casualisation and unemployment among their memberships, in particular. The purported merger benefits - economies of scale to release more services and greater bargaining strength - were aspects already enjoyed by such AJA members.⁸ It appeared that for these members at least, the imperative to merge was negligible.

Despite its close geographical proximity to Sydney, the Newcastle District or the Northern NSW branch of the AJA had historically been a critic of union policy. The branch had previously maintained that it had more in common with the interests of smaller states and provincial cities than with Sydney (see Lloyd, 1985, pp. 197-198). In part, this is because the branch had a substantial number of members working in rural or country areas. The Northern NSW branch challenged the logic by which merger was being pursued by the union's federal office in Sydney and proved responsive in

⁸ Interview with C. Warren, 1 July 1997.

lending support to the opposition case. This was despite the fact that the federal body controlled resources needed by the branch; for example, the federal organisation subsidised the salary of the full-time industrial officer based in the Northern NSW branch.⁹

Through its elected officers, the Northern NSW branch questioned whether in fact the AJA's industrial registration was at risk if the union choose not to merge. It generally considered that much more discussion among the membership was required before the union finalised its position on the issue. That is, the branch committee believed that AJA federal officers were perhaps acting too hastily or prematurely in leading the union towards merger proposals with other organisations. Members within the branch were also reportedly concerned and requested that the federal office provide a detailed and concrete outline of the economies of scale and financial advantages to result from merger.¹⁰

Of key concern to the Northern NSW branch that was associated with negotiations towards forming a 'media alliance', was a concomitant rise in the centralisation of power. During merger negotiations the branch considered the general tone of what was shaping to be the rules or constitution of the new organisation was one of instilling greater power at the federal level. As one of the smallest branches within the AJA it perceived the rule developments as highlighting its vulnerability, particularly as it was a traditional critic of many policies of its federal office. The branch believed that devolution of power to the membership was preferable.¹¹ This shows how the integrated strategic choice-resource dependence perspective applies inside organisations. Through its leadership, the Northern NSW branch

⁹ *The Journalist*, October 1990, p. 3.

¹⁰ See Chairman's Report, AJA Northern NSW branch annual report (30 June 1991); Minutes of AJA Northern NSW branch committee meeting, 9 August 1991.

¹¹ Letter from J. Bunton (AJA) to C. Warren (AJA), 29 August 1991; Interview with J. Bunton, 15 February 1996.

sought to manage its dependencies by seeking, from its federal union, more rather than less internal union autonomy.

Interestingly, the smallest AJA branch - Tasmania - supported the proposed merger which suggests that branch size was not necessarily the key variable in explaining the internal resistance to merger. However, its support at the executive level did not mean that the branch did not have some concerns about the merger. In fact, the branch was apprehensive about the future of its finances and the extent of its representation on the local branch executive in a merged organisation.¹² In regard to the former, the branch had savings of \$30,000 which it hoped to use to purchase a building in Hobart. The branch officers sought an undertaking that these funds, which would become federally-controlled upon merger, would be kept for this purpose. It appears that these general concerns may have had some resonance among the membership; Tasmanian-based members of the AJA registered one of the lowest proportional votes in support of the merger (see Table 12 below).

At the April 1991 federal council meeting the Northern NSW branch of the AJA was the only branch to abstain from voting on the question of merger. All other federal and branch delegates in attendance voted to support the planned merger.¹³ As already noted, the branch believed that members required more information than was being presented to them by the union's national leadership. At the meeting a motion was put by the branch that a national plebiscite be conducted among members. Such a plebiscite would

¹² AJA Tasmanian branch annual report 1991, p. 4; Minutes of AJA Tasmanian branch committee meeting, 20 November 1991.

¹³ Notwithstanding the abstention of the Northern NSW branch, the federal office noted in leaflets sent out to members (see AJA Circular Memo 213/91, 19 July 1991) that the union's federal council had *unanimously* (emphasis added) decided to build a Media Alliance. It also noted in other leaflets distributed to members that falling membership figures was one reason why the AJA needed to merge (see AJA Circular Memo 280/91, 30 August 1991). However, Table 7 on page 112 reveals that absolute membership patterns were relatively stable from the late 1980s. These two statements were not entirely accurate lending support to the proposition that the trade union merger process can be highly political as opposing groups seek to achieve their objectives.

seek to test whether members wanted the AJA to pursue an exemption from the then minimum industrial requirement of 10,000 members or whether the union should simply proceed with the issue of merger.¹⁴ The motion, however, was overwhelmingly defeated by federal council.

Under the legislation a 'vote no' merger case could be included or inserted in the ballot material sent to members if there were at least five percent of the total number of members of an organisation opposed to such an event, or, there were 1,000 members who were against the proposal, whichever was the lesser (s. 253D). The medium size of the AJA suggested that Messrs Cantlon and Lawrence only had to satisfy the first criterion which, given the total AJA membership in 1991 was 12,559, meant that about 630 signatures had to be collected in a petition. Not unexpectedly, the Northern NSW branch offered to assist in the collection of signatures and included the petition for members to sign in its annual branch report. Critics managed to collect the minimum number of signatures required and lodged the statement in opposition to merger on 16 December 1991.¹⁵

Those attempting to mobilise opposition to merger within the AJA also tapped into a longstanding, vocal and public source of discontent within the union - freelance members. Within the NSW branch, for instance, there was a separate freelance section which elected its own committee (page 76). For some time it had been felt by many freelance members that the AJA did not devote sufficient attention or resources to their needs but rather was focused too heavily on servicing full-time journalists. Freelance members had, among others, campaigned within the union for an award to guarantee minimum rates as late and non-payment for work was quite a common experience. In addition, they had sought more assistance from the union in securing work opportunities. In this context, there had been antagonism by freelances

¹⁴ *The Journalist*, December 1991, p. 9.

¹⁵ See Australian Industrial Relations Commission, print no. K1587, 30 January 1992.

towards those full-time members who did extra contributed work for employers because it reduced employment prospects for them.¹⁶

Given their general predicament, freelances were often compelled to negotiate individually with employers. It is likely that in some cases freelances accepted conditions that undermined the award rate of full-time journalists, which may help explain the perceived ambivalence of the AJA towards its freelance members. For example, the NSW branch had opposed the attempted casualisation of the newspaper industry by some proprietors when new technology (visual display terminals) became widespread. While protecting full-time journalists, this policy effectively restricted employment prospects for freelances. This contributed to a growing perception that the policies of the AJA were inimical to the interests of freelance members.¹⁷ The schism between full-time and freelance journalists was exacerbated, among others, by a decision of the union's federal council in late 1984 to increase subscriptions for casual members. Following particularly strong criticism from freelance members the union was forced to back down and adopt a compromise proposal.¹⁸ By the late 1980s and early 1990s there was considerable freelance ill-feeling towards the AJA in general, and the then NSW branch secretary in particular. The latter, for example, had apparently tried to exercise repeated editorial control over the freelance section newsletter.¹⁹

In addition, the discontent had given rise in late 1989 to what was referred to by its organisers as the 'AJA Reform Group'. With Messrs Cantlon, Lawrence and some freelance activist members largely responsible for its formation,

¹⁶ *The Journalist*, April 1983, p. 7. It has previously been argued that casual workers, given the nature of their employment tend not to identify with permanently employed workers in the same industry (see Crosby, 1992, p. 337).

¹⁷ *The Journalist*, June 1983, p. 4.

¹⁸ *The Journalist*, April 1985, p. 1.

¹⁹ See Minutes of AJA NSW freelance committee meetings 14 August 1991; 11 September 1991; *Sydney Morning Herald*, 15 October 1991, p. 13.

the group believed that the AJA required greater organisational decentralisation, democratisation, and membership involvement in the decision-making processes of the union. This claim is not without merit since the pro-merger Victorian branch secretary of the union believed, among other factors, that merger was an opportunity to more adequately include groups such as freelancers in the organisation's decision-making structures.²⁰ Using this argument, the group sought better employment conditions for all journalists which implicitly meant freelance workers and, most importantly, the input of members rather than officers to decide on any merger proposals.²¹

Apart from gathering some support among both journalists in metropolitan daily newspapers and freelance members, although for quite different reasons, there appeared to be an additional area from which the 'vote no' merger campaign drew support. One clue may be found from scrutiny of published letters to the editor in *The Journalist*. A number of these letters identified the writers who opposed merger as being older journalists.²² This may suggest that a number of long-serving journalists who had enjoyed an extensive association with the distinct identity, traditions and independence of the AJA did not favour any organisational change which threatened the continuity of these factors.

The Union Campaign against Merger Opposition

Anecdotal evidence drawn from a number of other merger cases reveals that membership ballots are likely to fail where there is substantial opposition

²⁰ *The Journalist*, September 1990, p. 3.

²¹ *The Journalist*, March 1990, pp. 6-7; Interview with G. Cantlon, 4 December 1995.

²² See, for example, *The Journalist*, October 1990, p. 4.

from the state leaderships of trade unions.²³ For the AJA opposition to merger, which appeared to be mainly isolated to NSW, threatened to derail the planned merger. To counter this opposition the union adopted a variety of tactics. One of the first things the union hierarchy had to convince the rank-and-file membership of was that merger was a legal imperative (Campling & Michelson, 1997, p. 226). Changes to the statutory number of members that trade unions were required to have to ensure federal registration aided the AJA in arguing the necessity of merger. Among other amendments to the *Industrial Relations Act 1988*, which became effective from February 1991, was the increase in minimum size of registered trade unions from 1,000 to 10,000 members (s. 193).

The new statutory minimum figure only included members who were employees. While the AJA clearly had over 10,000 members (see Table 7 on page 112), it maintained that freelance members were not employees. With the freelance component of its membership excluded for the purposes of enumeration, the AJA contended that it had less than 10,000 members and, consequently, faced the prospect of de-registration (see Table 3 on page 76). In other words, the AJA attempted to manage its dependencies by acquiring a more *negative* set of constraints in the short term thereby legitimating its more favoured and long term strategy of merger. Thus, the governing body of the union was prepared to risk alienating itself from this section of the membership in order to ensure organisational survival. This suggests, consistent with hypothesis four, that because freelance members of the AJA actually contributed fewer resources to the organisation than did full-time journalist members, freelance members had less power over the union. Not surprisingly, this situation irked a number of its freelance members.²⁴ Implicit in this response from freelance journalists was a perception that they

²³ For example, the Victorian branch of the PKIU, which was initially opposed to a merger with the Amalgamated Metal Workers Union, was seen as instrumental in convincing the PKIU membership not to support the proposed merger the first time it was held (see *Sydney Morning Herald*, 21 May 1993, p. 4).

²⁴ See *Freelance* (published by AJA NSW freelance committee) October 1991, p. 2.

may have little prospect for effective representation in a much larger (merged) trade union if its own organisation treated them in this way.

To support its position, the union sought and received legal advice from one of Sydney's leading Queen's Counsels. The advice given was that the AJA was unlikely to be seen as *sui generis* or a 'special case' by the Australian Industrial Relations Commission (hereafter 'the Commission') and therefore exempt from the requirement that it reach a threshold of 10,000 members who were employees by March 1993. Following this date organisations with less than 10,000 members would ordinarily have to justify their continued registration. The legal advice further noted that the current statutory framework placed a premium upon the reduction in the number of registered trade unions and, because of this, unions such as the AJA, if it made a case to continue their existence, would face a difficult task.²⁵

However, there were indications that the classification of freelance AJA members as 'contractors' was open to some doubt. In a decision of the Commission in late 1989 which looked at the question of whether regular feature writers were in fact employees or contractors, it was determined that they were employees.²⁶ While some of these writers did not pay taxation at source for their work, they were, nonetheless, controlled by a deadline and their work was an integral part of the business.²⁷ Potentially, this decision contained wider implications for the classification of some freelance workers as employees since many freelance journalists have certain regular jobs as part of their total work portfolio. Given the AJA's attempt to convince the membership of the imperative to merge, it is not unexpected, therefore,

²⁵ AJA Circular Memo 101/91, 24 May 1991.

²⁶ Australian Industrial Relations Commission, re: no. 36856, 13 December 1989.

²⁷ The 'control' test is often used by the courts to help distinguish between contractors and employees. In the case of an employee the degree of employer control will be considerable (see Fox *et al.*, 1995, p. 7). For freelance journalists employer 'control' may extend to the material that is written, the quantity of material or copy produced, the setting of deadlines, and what material will eventually be published.

that the union chose to make little of this decision.

As discussed, there was some scope for unions with fewer than 10,000 members to be exempted from de-registration if it could be demonstrated that special circumstances existed. If the Commission could not be satisfied that such circumstances existed the registration of the union must be cancelled. While merger critics believed that this avenue should at least be investigated or pursued, the AJA attempted to neutralise this intervention sought from opponents and again engaged the same Queen's Counsel as it had earlier done. Not surprisingly, the legal advice given reiterated the previous message; namely, that freelance journalists were likely to be seen as contractors rather than employees and that the AJA was unlikely to be seen by the Commission as a special case.²⁸ Despite protests by the AJA at the time, the loss of union coverage in the Australian Federal Police (noted on page 146) was cited as evidence for why the AJA would find it difficult to succeed with a case that it was exempt from the provisions. It was also widely reported inside the union that the then federal Minister for Industrial Relations, Peter Cook, personally believed that no special circumstances should apply in the case of the AJA.²⁹ Such legal advice and ministerial comment helped to legitimate and confirm the current policy direction being pursued by the union's leadership. Merger was being portrayed from a variety of sources as the only feasible option available to ensure the continued survival of the AJA.

A contrary argument was raised by leading merger opponents who, after receiving advice from staff within the Industrial Registrar's office, believed that the AJA could win a 'special circumstances' case. In particular, it was suggested to Gavin Cantlon by the advising officer that freelances members could indeed be counted as employed members. This would ensure that the

²⁸ See AJA Circular Memo 391/91, 13 December 1991.

²⁹ *The Journalist*, December 1991, special Media Alliance wraparound section.

AJA had over 10,000 members and therefore not be subject to de-registration proceedings.³⁰ The conflicting advice had the effect of hardening the resolve of those behind the 'vote no' merger case.

However, the union successfully challenged such views and amendments were subsequently required by the Commission to the 'vote no' merger case before it could be distributed with the membership ballot papers. The Commission rejected the comments attributed to staff from the Industrial Registrar's office concerning the possibility that the AJA could include their freelance members as employees for the purposes of enumeration under the Act. It believed that such comments had been selectively quoted and that they needed to be placed in the context of the whole of the taped conversation with the Registrar's office. The Commission also rejected claims by merger critics that subscriptions would rise or that the AJA would become allied with either the Australian Council of Trade Unions or the Australian Labor Party.³¹ Such external intervention would likely have weakened the force of the 'vote no' case in attempting to convince members to vote against the planned merger.

To further underscore the political nature of the campaigning process, the Commission also made slight amendments to the 'vote yes' merger case. It disputed the inevitability of AJA claims that de-registration would result if it failed to reach a threshold of 10,000 members who were employees within the next two years. The Commission believed that de-registration *could* occur but that it was not necessarily a foregone conclusion as the union had conveyed in statements made to its membership.³² That is, cancellation of registration of a 'small organisation' under either sections 193 or 193(a) was not automatic. Further, the Commission was aware that proposed mergers

³⁰ *The Journalist*, December 1991, p. 9.

³¹ Australian Industrial Relations Commission, prints no. K1587, 30 January 1992; K1686, 4 February 1992.

³² Australian Industrial Relations Commission print no. K1588, 30 January 1992.

do engender strong reactions within a union, either in favour or against the proposal. Therefore, it expected that statements made in support of or opposed to merger, were intended to influence rather than inform voters in the ballot. Among others roles, the Commission was required to distinguish between statements of fact and statements of opinion. Statements that were factually incorrect had to be altered. In this particular instance, changes were made to both cases.

The majority of the AJA's elected officers considered that the general economic downturn and significant industry restructuring of the late 1980s made the recruitment of new members highly unlikely.³³ This backdrop gave the AJA leadership a further platform on which to convince the membership of the need to achieve union growth through merger activity. The union also tried to convince sceptics about the suitability of its selected merger partners. For its freelance members it stressed that Equity was well organised to deal with some of their principal areas of concern such as taxation. Freelance members, many of whom worked intermittently, were often taxed as if they were full-time workers. Equity reportedly had a tax averaging agreement with the Australian Taxation Office.

Because the union merger process in Australia invariably involves the membership of at least one of the unions contemplating merger in a national ballot or referendum,³⁴ a second major initiative of the AJA was its educational campaign. As noted in hypothesis one, the execution of union strategic choices involves the allocation of resources to achieve organisational goals. The campaign was required to both inform and convince the membership of the merits of merger. Given the opposition from some areas,

³³ *The Journalist*, July 1991, p. 6.

³⁴ At the time of these events the legal situation introduced by the *Industrial Relations Amendment Act 1990* stated that members of a union were not required to participate in a referendum if the members of the union(s) it intended to merge with had less than 25 percent of the members of their organisation. If this was not the case all the unions involved in the merger had to conduct a ballot of their memberships.

the union leadership recognised that special attention was needed for both NSW members and freelance members in particular. The union's campaign included: question-and-answer type statements printed in the union publication (*The Journalist*), stickers promoting merger, workplace visits and consistent presentations by speakers, workplace membership seminars, telephone contacts, and endorsements by high-profile members of the union. Such endorsements included letters supporting merger printed in *The Journalist*. In this context, the union sought to address the specific industrial concerns of freelance members by noting that it intended to commence negotiations with proprietors over a system of minimum pay rates for freelance journalists, extending the access of the freelance register of temporary staff available to employers and, to negate outright opposition to merger, publishing comments and statements written by freelance members who supported the proposed merger.³⁵

While the official publications of all three unions - the AJA, Equity and the ATAFA - were replete with articles, comments, letters and statements in support of merger, it was perhaps more so in the AJA than the other two unions, that their national newspaper (*The Journalist*) allowed material to be published that did argue against merger. However, and not unexpectedly, this dissent failed to reach the level of coverage or page space devoted to material in support of merger. What is important to observe is that despite the widespread support given to merger at the paid level of the union hierarchy, the union was nonetheless bound by the wider cultural principles of journalistic reporting, such as freedom of expression, to give some voice to competing claims. Thus, even vitriolic attacks concerning the direction of the AJA were periodically published in the union newspaper. It is argued that to have ignored these criticisms would have contravened the general orthodoxy of freedom of written expression.

³⁵ *The Journalist*, September 1991, pp. 3, 7; October 1991, pp. 6-7; November 1991, p. 4.

The campaign run within all three unions became more intensive as the ballot date drew closer. Regular meetings of full-time AJA officers, for instance, became more preoccupied with managing the details of how to convince the membership to vote for the proposed Media, Entertainment and Arts Alliance (MEAA).³⁶ In contrast, the other two unions appeared more confident that their memberships would support the leaderships recommendations to merge. Equity only began to devote space in its national publication to explain and recommend merger to its membership from August 1991. Even here, the coverage was not overwhelming; only about 20 percent of the total space available in the August and December 1991 editions of *Equity* dealt with the proposed merger. Consistent with elements of the AJA 'vote yes' campaign, Equity also published question-and-answer type statements and merger endorsements by some high profile members in these two editions.

Union Merger Ballot Results

The ballot or referendum is usually the last stage in the trade union merger process (Elias, 1973). This section will present the results of the three ballots conducted among the memberships of the AJA, Equity and the ATA EA, respectively. The memberships of all three unions voted in support of the new organisation thereby effectively bringing the three-way merger process to a conclusion.

The voting statistics for the AJA are shown in Table 12 below. Despite the opposition that had emerged, slightly over 60 percent of the membership of the AJA who voted supported the formation of the MEAA. The Table further reveals that the vote for merger (and voter turnout) was strongest within Victoria, the branch from which the original merger proposals had come. Of those who voted, 75 percent endorsed the merger. This suggests that the branch's desire for merger had not diminished since first publically

³⁶ See, for example, Minutes of AJA industrial staff meeting, 11 February 1992; 25 February 1992; 3 March 1992.

introducing merger to the union at its biennial federal council meeting in late 1986.

Table 12: The Formation of MEAA: AJA Voting Patterns

Branch	Eligible Voters	Yes	No	% Yes	Total Voters ¹	% Vote
NSW	3,492 ²	849	816	51.0	1,665	47.7
Victoria	2,257	1,007	332	75.1	1,339	59.3
Qld	1,362	478	297	61.7	775	56.9
S.A.	845	265	197	57.4	462	54.7
W.A.	1,054	368	209	63.8	577	54.7
Canberra	602	213	121	63.8	334	55.5
Tasmania	257	76	73	51.0	149	58.0
Total	9,869	3,256	2,045	61.4	5,301	53.7

Source: Australian Electoral Commission, 23 March 1992.

¹ The column total excludes informal votes.

² Includes 341 Northern NSW branch members.

Not surprisingly, the data demonstrates that the 'vote no' case gained the greatest support in NSW where it largely originated (49 percent of voters were against the merger). However, somewhat unexpectedly, members in Tasmania were also divided with nearly half of those who voted opposing the merger. This finding may reflect the concerns held by some about what would happen to the savings the branch had intended spending on a building (page 218). Overall, the Table reveals that the 'vote no' case had an impact with nearly 40 percent of all voters against the merger.

According to one of the leaders of the 'vote no' case, John Lawrence, the near unanimous support for merger by the AJA's current elected officers, the control of the union's political machinery or resources by these same officers, and federal government funding to conclude a merger were the key factors

that ultimately contributed to the successful ballot result.³⁷ The last factor was important. Others also contend that rank-and-file campaigns to influence union policy through the balloting process are usually beyond the financial means of such members (see Macken, 1997, pp. 190-191).

Following the release of the voting statistics the then NSW branch president, Gavin Cantlon, resigned from the position. It was highly untenable that someone who had opposed the merger so vehemently could remain in the newly-formed union.³⁸ In addition, freelance members in NSW, which historically had experienced tense relations with the union hierarchy, sought input into the final details of forming the MEAA. They wanted to be both part of the AJA negotiating team and sought a minimum of three places on the new branch committee reserved for freelance members.³⁹

Table 13 below shows the merger voting patterns of Equity's membership. In contrast to the AJA, there was a considerably lower proportion of eligible members who voted (34 percent compared with 54 percent), but of those who did participate in the ballot 91 percent voted to support the formation of the new union (compared with 61 percent for the AJA). The difference in participation rates may reflect the nature of the industries, workplace size and the employment status of those workers covered by the two unions. For example, the large majority of Equity's members worked intermittently either in a casual and part-time capacity, and for many of these members the prospect of a merger may have held little day-to-day relevance. Given the chronic rates of unemployment in the entertainment industry (see Chapter Three), it is probable that many members would not have had the opportunity to hear full-time Equity officers explain to them what the consequences of the merger were. This would also likely have contributed to the general apathy to vote among the Equity membership.

³⁷ Interview with J. Lawrence, 28 June 1996.

³⁸ *The Journalist*, April 1992, p. 4.

³⁹ Minutes of AJA NSW freelance committee meeting, 8 April 1992.

Table 13: The Formation of MEAA: Actors Equity Voting Patterns

Branch	Eligible Voters	Yes	No	% Yes	Total Voters ¹	% Vote
NSW	4,838	1,400	138	91.0	1,538	31.8
Victoria	4,106	1,269	115	91.7	1,384	33.7
Qld	1,249	395	61	86.6	456	36.5
S.A.	641	226	15	93.8	241	37.6
W.A.	433	152	18	89.4	170	39.3
Total	11,267	3,442	347	90.8	3,789	33.6

Source: Australian Electoral Commission, 23 March 1992.

¹ The column total excludes informal votes.

In contrast to actors, journalists typically worked in regular, full-time employment and many were employed by metropolitan daily newspapers which tended to be large workplaces. As such, there would have been considerable scope to discuss the issue of merger with colleagues and to debate the matter with AJA officers. The higher turnout would also likely have been influenced by the interest that the topic of merger generated within the AJA. Related to this level of interest was the formal 'vote no' case that had emerged. Opposition to merger also helps to explain the differences in the level of support for the merger between the two unions. In Equity there was no organised campaign of opposition against the proposed merger, whereas there was in the AJA. As Table 13 reveals, all Equity branches recorded a level of membership support for the MEAA similar to the national average of 91 percent.

The voting patterns for the ATAEA membership are set out in Table 14 below. The data reveals that both the proportion of eligible members who voted (31 percent) and of those who did participate in the ballot voted to support the merger (87 percent), were close to the respective figures for Equity. Both unions were very similar in terms of the nature of their industries, workplace size and the employment status (casual and part-time)

of a large proportion of their members. There was also no organised opposition case to merger within the ATA EA. However, the ballot results point to the significant internal problems that the union had been experiencing with its Queensland branch (see pages 122 and 180-181) and how one of the differences between the federal organisation and the branch concerned the selection of merger partners. The Queensland branch of the ATA EA preferred to merge with the Australian Workers Union (see Chapter Eight). Despite having the highest voter turnout among the branches (52 percent), only 58 percent of the Queensland membership were in favour of a merger with the AJA and Equity. This was well below the national average (87 percent). Also reflecting the union's internal problems, the branch, contrary to all expectations, had slightly fewer members ($n = 151$) than did Tasmania ($n = 155$). This empirical observation lends support to the implied accusation that the branch had been channelling members into the Queensland ATA EA state-registered union.⁴⁰

Table 14: The Formation of MEAA: ATA EA Voting Patterns

Branch	Eligible Voters	Yes	No	% Yes	Total Voters ¹	% Vote
NSW	3,649	820	115	87.7	935	25.6
Victoria	4,738	1,473	205	87.8	1,678	35.4
Qld	151	46	33	58.2	79	52.3
S.A.	589	177	16	91.7	193	32.8
W.A.	480	85	17	83.3	102	21.3
Tasmania	155	51	2	96.2	53	34.2
Total	9,762	2,652	388	87.2	3,040	31.1

Source: Australian Electoral Commission, 23 March 1992.

¹ The column total excludes informal votes.

⁴⁰ At 31 December 1989 there were 588 members in the branch with this figure falling drastically to 148 by June 1992. There appeared to be no rational explanation for the decline (See Affidavit of ATA EA federal secretary in *McJannet v. White*, Federal Court of Australia, undated).

The positive ballot outcome only required the Commission to set the date at which the new union would formally come into existence. Following correspondence from the 'host' union (Equity) outlining the preferred commencement date by the three organisations, the Commission established 18 May 1992 as the day on which the MEAA would become a legal entity. This date was also when the AJA and the ATA EA were de-registered.⁴¹

Musicians Union of Australia

Having alluded to the resistance that was evident in the MEAA and Musicians Union negotiations in previous chapters, attention turns to examine the nature of the opposition within the Musicians Union and some attempts that were made to neutralise it by merger proponents.

The most recent set of negotiations commenced in December 1992; just one month earlier, the International Labour Organisation had ruled that Australian legislation increasing the minimum registered size of federal unions to 10,000 members breached international labour conventions pertaining to freedom of association and the right to organise. The then Labor government indicated that it would alter its legislation to ensure that it did not contravene Australia's international obligations (see Dabscheck, 1995, pp. 130-131). As a result, the legislative pressure for the Musicians Union to merge diminished, in turn strengthening the position of those against merger.

More specifically, concerns about the MEAA's finances served as a rallying point of opposition for those branches of the Musicians Union against merger. Media reports outlining the apparent financial difficulties of the MEAA appeared to have some substance as net assets of the union had fallen dramatically in the first few years of its operation (from \$3.87m at May 1992

⁴¹ Letter from A. Britton (Equity) to Australian Industrial Relations Commission (AIRC), 16 April 1992; Memo from DP Williams, AIRC, to Industrial Registrar, 6 May 1992.

to \$219,000 by December 1995). The unanticipated costs of administering the MEAA (discussed in the following chapter), compounded by a downturn in income, for instance, had forced the union to apply for a \$3.3m loan and to make temporary use of money in the journalists' copyright fund to minimise interest payable on the union's overdraft.⁴² These actions, among others, were seized upon by merger critics arguing that the MEAA simply wanted to secure the assets of the Musicians Union to buttress its financial position (Michelson, 1997). This illustration further reveals that a potential merger partner may be rejected if it appears that it will be a financial burden to an otherwise economically-sound union (Chaison, 1996, p. 10).

The position of the former ATA EA was another point of concern (see Chapters Six and Eight). Merger opponents argued that a similar fate may await the Musicians Union if it combined with the MEAA.⁴³ In particular, the representation of the ATA EA in elected full-time positions diminished soon after the MEAA was formed: some former ATA EA officers vacated the positions of joint branch secretary in South Australia and Victoria as well as the full-time federal presidency soon after the MEAA was created, and were either not replaced, or were replaced by officers from the journalists' or actors' sections. Moreover, as the MEAA merger negotiations revealed, the seemingly precarious position of the ATA EA was further compounded by the formula used to delineate voting power within the MEAA, with those members experiencing the most financial strength - full-time journalists - enjoying a majority in sectional representation.⁴⁴

Musicians Union knowledge of the MEAA's operations in its early years was undoubtedly facilitated by such situations as that in Tasmania, where the secretary of the Hobart branch of the Musicians Union was, at the time of the

⁴² See *Weekend Australian*, 23-24 July 1994, p. 10; *Business Review Weekly*, 23 October 1995, p. 36.

⁴³ Minutes of Musicians Union special federal executive meeting, 17-19 March 1993; Interview with M. Stead, 9 July 1996.

⁴⁴ Minutes of Musicians Union federal conference meeting, 28 June-2 July 1993; MEAA Rules.

merger negotiations, also holding the secretaryship of the Tasmanian branch of the MEAA. The Hobart secretary confirmed in meetings of the Musicians Union that because the ATAEA were not sufficiently united as an organisation in the period leading up to merger it was disadvantaged in the immediate post-merger period. This is not inconsistent with a key claim of the thesis. While a certain degree of internal cohesion is necessary to conclude a merger, problems may still arise after merger if this is not strong enough. In this context, the implications of a merger that involved an internally factionalised union charging typically low subscriptions (that is, the Musicians Union) were not lost on those detractors within the union. In all likelihood, these opponents probably felt that they would be overwhelmed in a merger with the MEAA.

Because some of the regional Musicians' officers located in financially sound branches did not believe that a merger would necessarily improve the current set of dependencies, they rejected the proposed merger therefore reflecting a strategic choice. The 'vote no' campaign was led principally by the Melbourne branch and was supported by the Adelaide, Hobart, Launceston, Broken Hill and Newcastle branches of the Musicians Union. The vociferous protests against merger with the MEAA were supported by some high-profile union personalities and were well funded, with estimates of approximately \$60,000 collectively spent by these branches on the case.⁴⁵ The theme of the opposition centred around a concern that merger would prove deleterious for musicians as the following campaign statements illustrate:

If the Musicians Union amalgamates with the MEAA, musicians will have one foot on a banana skin and the other in the grave - and it will be an agonising death.

Amalgamation Blues: A moment of silence in memory of Musicians' rights 1893-1995.

⁴⁵ Interview with J. McAuliffe, 31 May 1996.

Mama MEAA, Here were go again, My my, Now we can resist you. Mama MEAA...

Musicians! Amalgamation with the MEAA could be the beginning of your worst nightmare.

The branches of the Musicians Union opposed to merger clearly did not trust the former Actors Equity, and spoke in vitriolic terms about the recent history of animosity between the two unions. Reference was often made, for instance, to the perceived lack of Equity support in the earlier discotheques dispute and when the Musicians Union had protested against dancers who performed to taped music (pages 158-159). These branches were most wary of any merger involving Equity, their distrust further compounded by the earlier unsuccessful attempts to combine their unions.⁴⁶ In contrast the 'vote yes' campaign (supported by the federal secretary, Perth, Sydney and Brisbane branches, and the union's important orchestral members) maintained that merger was imperative to preserve the union. It was essentially presented to the membership as a choice to 'merge or die' and therefore tended to assume that the union was incapable of change and that there were no other available options; it rested on a premise of organisational extinction. The opposing positions within the Musicians Union reveal that internal political machinations would prove to be a crucial factor in predicting the outcome of this particular merger attempt (cf. Morris, 1986).

Merger protocols in Australia required approval by the committee of management of each existing industrial organisation proposing to merge under s. 240 of the *Industrial Relations Act 1988*. Organisations then lodged a community of interest application (s. 241 of the same Act) with the Commission. In the present case there was some cause for dispute when the 'community of interest' application was lodged in late 1993. The Melbourne branch maintained that authorisation by the federal executive of the

⁴⁶ Minutes of Musicians Union federal conference meeting, 28 June-2 July 1993; Interview with M. Ward, 5 September 1996.

Musicians Union - which, as noted on page 98, had a structure that favoured smaller branches - had not been found. That is, while the union's highest governing body - federal council or conference - had approved the merger scheme, the federal executive had not. This illustrates how the union's structure inhibited the development of a unified position on merger and in the end favoured the preservation of the status quo. The Melbourne branch threatened legal action if the 'community of interest' application was not withdrawn.⁴⁷ Opponents even attempted to dissuade the Commission from proceeding with its order to conduct a merger ballot of members of the Musicians Union because of the alleged technical impediment. However, Deputy President Williams refused to revoke the order, arguing that s. 252(5) of the Act suggested that once approval had been given to submit a merger to ballot, the Act required that the ballot take place.⁴⁸ Incidentally, only a ballot of the smaller Musicians Union was required, as the MEAA was exempt from balloting its members, the amalgamating organisation being less than 25 percent of the size of the larger union (s. 244 of the Act).

An examination of the data reveals that in this case the Commission tended to largely accommodate the interests and views of merger proponents. For instance, it allowed the 3000 word limit outlining details of the merger scheme (s. 242(3) of the Act) to be exceeded, and permitted a variation of ballot dates to allow certain sections of the union, notably the pro-merger orchestras, to become financial and therefore eligible to participate in the forthcoming ballot, yet it categorically repudiated some claims made by the 'vote no' case.⁴⁹ In particular, the Commission believed the 'vote no' case contained some factual errors, many of which lay at the centre of the arguments relating to merger opposition. Specifically, Deputy President

⁴⁷ *Workforce*, no. 946, 8 October 1993, p. 6; Letter from M. Stead to the Australian Industrial Relations Commission, 14 October 1993; Letter from M. Stead to J. McAuliffe, 19 October 1993.

⁴⁸ Decision of DP Williams re: no. D20009/94, 129V, print no. L9766, 1 March 1995.

⁴⁹ Australian Industrial Registry re: no. D20009/94, 129V, Decisions of DP Williams, print no. L9369, 9 February 1995; print no. L9390, 9 February 1995; print no. L9766, 1 March 1995; *Workforce*, no. 1013, 17 March 1995, p. 5.

Williams refuted the claims that the representation of the former ATAEA had been eroded, that merger would mean the submergence of the Musicians Union in the new union because of a loss of voting power, that funds and assets would be lost, and that the finances of the MEAA were precarious. On this last point the Commission felt the available evidence suggested that the opposite was a more accurate conclusion to draw. The problem with the orchestras was a technical one and revolved around the timing of automatic fee deductions. As it stood, when the membership rolls for merger were closed, the orchestras were deemed to be unfinancial. However, this reflected the cycle of how the union billed its members, which regularly but temporarily left this group in arrears.

Despite numerous attempts to thwart the merger process, the ballot opened on 28 April 1995. It was clear to all parties involved that the ballot would be fiercely contested as the campaigns both supporting and opposing merger ensured that the issue had a high profile among the membership. There were 5,027 eligible persons on the roll of the Musicians Union, and when the ballot closed in mid-May 1995 3,105 votes had been cast (five of these were informal and subsequently rejected). This represented a participation or response rate of 62 percent, which compares favourably with other union merger ballots since research argues that the likelihood of many unions securing a 50 percent or better response rate in merger ballots is most unlikely (Deery, 1983; Khoury, 1978). Of the AJA, Equity and the ATAEA ballots, only the AJA exceeded a 50 percent response rate (see Table 12 on page 229).

The breakdown of result by state is shown in Table 15 below and demonstrates that the membership in states in which branch committees were opposed to merger (Melbourne, Adelaide, Hobart, Launceston, Broken Hill and Newcastle) had clearly been mobilised by their elected representatives against a merger with the MEAA. Only 38 percent of the membership favoured the proposal. Thus, widespread control over union resources gave those branches opposed to merger sufficient political power

to weaken the union's propensity to merge. With both the regulatory and financial imperative for merger not sufficiently pressing, the union believed that retaining its independence was the best option.

Table 15: Musicians Union Merger Ballot Results (May 1995)

State	Votes in Favour	Votes Against	Votes in Favour (%)
W. Australia	197	117	62.7
New South Wales	476	591	44.6
Queensland	161	236	40.6
Victoria	239	528	31.2
Sth. Australia	73	315	18.8
Tasmania	19	148	11.4
Total	1165	1935	37.6

Source: Australian Electoral Commission. Results are recorded on a state rather than branch basis. Thus, in the case of NSW, the voting statistics for Newcastle and Broken Hill branches have simply been collapsed into an aggregate state-wide figure.

Interestingly, of those branches in support of merger at the executive level, only Perth managed to convince a majority of its members to endorse its recommendation. This may be due to the fact that at least since 1975 the branch had been led by officers who have actively supported merger. The case of the NSW and Brisbane branches are noteworthy in that while these branches were in favour of merger a majority of their respective memberships did not share their view. This suggests that merger recommendations made by a union hierarchy to its rank-and-file membership may be a necessary but not sufficient condition of support for those recommendations, particularly if there is a well organised campaign of opposition. Of equal importance, then, to a successfully-completed merger, is the notion of sufficient levels of internal union cohesion.

In NSW at least two factors complicated the result: first, two small branches in the state were clearly opposed to the merger and this would have undoubtedly affected the voting patterns in the state as a whole. Second, it could be argued that the branch tactically erred by moving into offices within the building that housed the federal headquarters of the MEAA in Redfern, Sydney just as the ballot was opening. While the move might have demonstrated some confidence in membership support for the merger promoted by the branch committee, alternatively it might also have been construed by some that the branch believed merger to be a *fait accompli* and simply assumed the support of the membership.⁵⁰ For its part and with the benefit of hindsight, the Brisbane branch by its own admission could have done more to promote merger among its membership.⁵¹

Conclusions

This chapter has discussed the two main cases of merger opposition that were evident first, in the formation and then, the attempt to consolidate the MEAA. Although organised opposition to the merger process was evident within the AJA and the Musicians Union, the outcome was different; the AJA still voted to join Equity and the ATA EA to form a new union - the Media, Entertainment and Arts Alliance (MEAA). In contrast, the Musicians Union decided against joining with the MEAA. In both cases, however, there was considerable pressure placed on the membership by both merger proponents and opponents; information was often distorted whereby statements of opinion were conflated with statements of fact. Trade union ballots of any kind appear to be affected by this problem (see Undy & Martin, 1984, p. 167).

There appears to be a number of key factors that help explain the different result. First, the leadership of the AJA had argued that the union was vulnerable to de-registration since the legislation then in force required

⁵⁰ *Workforce*, no. 1018, 28 April 1995, p. 4.

⁵¹ Interview with C. Clark, 29 January 1997.

federal organisations to have a minimum of 10,000 members who were employees. Armed with advice from counsel, the AJA argued that its freelance members were not able to count as part of its total under the Act and therefore the AJA had less than this minimum figure. In contrast, the negotiations with the Musicians Union were conducted in a climate when the then federal Labor government had promised to, and did, revoke the legislation requiring that federal unions have 10,000 members. This environmental change militated against the statutory urge to merge for the Musicians Union.

A second difference suggests that the opposition within the AJA was principally about retaining the culture, identity and autonomy of the organisation. Here, opponents wanted the AJA to argue that it was a 'special case'. While critics questioned the suitability of Equity and the ATAFA as merger partners (although this was not an issue at the leadership levels of the union), this argument appeared subordinate to the desire to be seen as *sui generis*. For the Musicians Union, there was strong leadership resistance to merging with an organisation that included the former Actors Equity. While there was also a desire to retain its identity, it is argued that this was subordinate to its poor relationship with Equity. Historically there had been tensions and rivalries between the two unions and many within the Musicians Union did not trust the intentions of Equity. This hardened the resolve of those against combining with the MEAA. Previous research also draws attention to this problem (see Graham, 1970; Morris, 1986).

A third explanatory factor was that opposition to merger within the AJA was largely contained within only one state - NSW. Even here, the opposition appeared to be confined to certain groups such as those working in metropolitan daily newspapers and freelance journalists. The leadership of the NSW branch was, with the exception of its branch president, in favour of the proposed merger. The leadership of the smaller Northern NSW branch, however, were united in their opposition to the merger. In comparison,

opposition in the Musicians Union against merging with the MEAA was more widespread and included six branches including the large Melbourne and Adelaide branches in addition to Hobart, Launceston, Newcastle and Broken Hill. The leaderships in these branches were also unanimous in their criticism of the merger. Consequently, the 'vote no' case in the AJA was grossly underfunded whereas the opposition in the Musicians Union could draw on more resources to support its campaign. The obverse also held; that is, the AJA 'vote yes' campaign was pervasive, extensive and well funded. This difference was always going to make it difficult for critics in the AJA to convince the membership to vote against merger and confirms research findings elsewhere (McClendon *et al.*, 1995). Even in some Musicians Union branches in favour of merging with the MEAA, the campaign was not given widespread support (Brisbane) or the branch pre-empted the merger ballot by moving into the MEAA building (Sydney). Overall, this explanation suggests that where there is general support among a union's leadership for merger, members are unlikely to vote against the merger. (Elias, 1973, p. 134).

The final contrasting factor between the two cases was that with the AJA the opposition was speculative in the sense that critics could only point at possible merger outcomes for journalists. It was by means certain the pessimistic outlook that had been painted would result. The 'vote no' case within the Musicians Union, however, was in a stronger position as it could assess the actual or perceived drawbacks of the MEAA (AJA, Equity and ATA EA) merger. For example, there was data which suggested the financial position of the MEAA had deteriorated since its formation. In addition, there was a common belief among sections within the Musicians Union that the ATA EA had been effectively marginalised in terms of elected officer positions soon after the formation of the MEAA.

The explanations for the unsuccessful merger case between the MEAA and the Musicians Union did not revolve around an ignorance of how to combine or to the legal requirements of merger, as some have argued (Spooner, 1984,

p. 365). The failure to merge stemmed from historical rivalries and mistrust, a lower propensity to combine which was inextricably linked to the financial power of the union, and the desire by some Musicians' branches to maintain a decentralised union structure. The rejection of merger by the Musicians Union is an important event because it demonstrates that, ultimately, while the ACTU could wield considerable influence over its affiliates, it could not force its affiliates to merge (see also Chaison, 1996, p. 66). This supports the study's assumption that individual union leaders could exercise choice over how they managed their internal and external environments.

Drawing the empirical analysis to a conclusion, the following chapter examines the post-merger environment for the MEAA (1992-1996). It reveals, among other factors, that while the new organisation was formed by merger, it consolidated itself by seeking further mergers. It also shows how earlier stages in the trade union merger process can influence the experiences or merger outcomes for unions.

CHAPTER 8: THE POST-MERGER ENVIRONMENT

Introduction

Having successfully completed their mergers at the balloting stage, this chapter will explore the post-merger situation for those unions that combined to form the Media, Entertainment and Arts Alliance (MEAA). It begins by briefly examining the case of the Australian Commercial and Industrial Artists Association (ACIAA) which was absorbed by the Australian Journalists Association (AJA) in December 1991. Along with Equity and the Australian Theatrical and Amusement Employees Association (ATAEA), the AJA then merged its organisation in May 1992 to form the MEAA. The activities of, and key events surrounding, the newly-merged union are analysed; in particular, reference is made to the MEAA's strategy, administration, rationalisation of positions and membership and finances. Some undesirable consequences of the post-merger period for the MEAA are also discussed including demarcation disputes with other unions and the split or secession of branches of the former ATAEA from the MEAA.

Part of the new union's strategy between 1992 and 1996 included the pursuit of further merger activity involving other entertainment-based unions. An example of this was seen in the previous chapter with the Musicians Union, although in this case the membership of the Musicians Union failed to endorse the proposed merger with the MEAA in 1995. However, the MEAA also sought and successfully concluded mergers with three small organisations: the Professional Rugby League Players Union, the Artworkers Union of NSW and the Australian Soccer Players Association were all absorbed by the MEAA between 1993-1994. These cases are briefly examined. The chapter contends that merger has not been without its problems for the MEAA as the new union attempted to achieve, in its first four years, the espoused benefits of restructuring. Supporting the claim made in Chapter One, the merger outcomes were not independent of the processes of merger.

Australian Commercial and Industrial Artists Association

It seemed that an accurate picture of the membership of the ACIAA only became apparent after the absorption had occurred. While the union had 585 members, at the time of merger only 108 of the total were financial members. The AJA generally believed that this situation was a result of ACIAA inaction over recent years and its subsequent failure to recruit new employees as they entered the industry.¹ Following efforts, albeit unsuccessfully, by the AJA to encourage the 477 unfinancial members of the commercial and industrial artists division within the union to pay their subscriptions, including waiving any outstanding dues, these members were terminated from membership lists. It was suggested by AJA federal secretary, Chris Warren, that continuing to pursue the unfinancial members would probably serve to further alienate those already reluctant to belong to the union. Warren considered that because those working in advertising had little perception of the advantages of union membership, which stemmed largely from the inactivity and ineffectiveness of the ACIAA, that attempts to actively recruit in the industry should be delayed until the gains made by the merged organisation could be demonstrated.² However, the task ahead would be difficult as those in advertising agencies were generally ambivalent about being unionised in the first place.³ Thus, the initial net gain to the AJA as a result of the absorption of the ACIAA was only 108 members. While the additional members brought into the AJA was insignificant, it should be recalled that the merger nonetheless enabled the AJA to expand its jurisdictional coverage (see page 147).

The merger scheme between the AJA and the ACIAA had outlined some general undertakings that would result from the absorption. These included:

¹ Letter from L. Connor (AJA) to C. Warren (AJA), 10 January 1992.

² Letter from C. Warren to all AJA branch secretaries, 6 May 1992.

³ See *Australian Financial Review*, 3 May 1994, p. 37.

- (i) that all members, irrespective of which union they came from would be entitled to receive a similar level of service following the merger;
- (ii) that the ACIAA division of the AJA would be funded to hold an annual meeting of their national divisional committee; and
- (iii) that all industrial awards to which the ACIAA was a respondent would be updated.

Under a Heads of Agreement struck between the two unions it was also generally agreed that the commercial and industrial artists division be sufficiently resourced. In principle, this could entail the employment of an organiser devoted to servicing the division in each of the AJA's Victorian and NSW branches, the services of a federal industrial officer to do little else other than be responsible for the awards and concerns of the division, the regular production of a newsletter for division members, regular divisional meetings in each state, and an annual meeting of the national divisional committee.⁴

There appears to be a potential contradiction between the stated objectives noted above. While points (ii) and (iii) of the merger scheme provided for an increased level of benefits to accrue to the ACIAA as a result of the merger, statement (i) offers a point of departure. It not only provides necessary safeguards for AJA members, but it suggests that in the event incoming members from the ACIAA would be no worse off in the long term with respect to servicing than what they had previously experienced within their own union. Given that the ACIAA was poorly resourced due to its high level of unfinancial membership and subsequent reliance on honorary officers, its level of pre-merger servicing was already low. Under these pre-existing conditions it is conceivable that the AJA might therefore decide to apportion few resources to the incoming group particularly as the AJA was set to become part of the MEAA. Furthermore, it was likely the members of the ACIAA division would probably not notice any difference. The absorption of the ACIAA revealed that, in practice, the AJA did not have an affinity with the advertising industry, an observation supported by

⁴ Heads of Agreement attached to Letter from C. Warren (AJA) to A. Paull (ACIAA), 21 December 1991.

official comment within the union.⁵ The AJA federal industrial officer who assumed responsibility for co-ordinating the merger with the ACIAA also confirms this view in the following remark:

The Media, Entertainment and Arts Alliance have only done a tiny bit of work in advertising but in a way it's been put on hold. I don't think the ACIAA can complain about that too much because it had been on hold (previously) with them to. They hadn't updated any of their awards for years. We did a bit of work on their awards and had a few talks with the advertising industry. I don't think we've got very far on it. I am disappointed I didn't have the industrial carriage once we took them in because I had other things that I was doing. It's disappointing we didn't get more done (for them). At some stage the union will have to come back and address themselves to that union.⁶

However, this same informant also considered that if she had not initially contacted the ACIAA with a view to merger, it is likely they would have faced de-registration either as a result of inaction and apathy, or for having fewer members than the statutory minimum then required for federal registration. A former ACIAA officer also noted:

I thought quite frankly that (the AJA) were wasting their bloody time with us because unless they were prepared to get out there and chase members they were really only going to have a shadow of a bloody organisation...Now, I don't think they've done that...The only thing (the ACIAA) would be getting out of it now would be there is an award established and new people coming into the industry are not going to be paid below that.⁷

Perhaps the AJA's (and subsequently the MEAA's) perceived lack of success in recruiting new members is due not only to the union's minimalist efforts to attract those within the advertising industry, notwithstanding the modernisation

⁵ See AJA Circular Memo 278/90, 10 August 1990, p. 8.

⁶ Interview with L. Connor, 15 February 1995.

⁷ Interview with J. White, 9 August 1995.

of the principle award - the *Commercial and Industrial Artists Award*⁸ - but to resistance from employers and those working in advertising agencies to the concept of unionism in general. This is because many of those employed in the industry had traditionally been award-free.⁹ Although the award was indeed updated, it was still well below market rates which, in effect, made the award and by extension, the union, seem irrelevant in the sector.

To appeal to those in advertising, half-yearly fees for former ACIAA members were initially set at \$52. Not long after the completion of the merger, however, the AJA signalled its intention of rationalising its absorption costs by increasing the subscriptions for members in its commercial and industrial artists division. For the 1992-1993 year a flat rate would be established to bring subscriptions into line with the AJA's existing fees structure.¹⁰ A new fees schedule increased the rates payable for members who worked under the *Commercial and Industrial Artists Award* (that is, members from the ACIAA section of the AJA). These were set at \$161.50 (full year) for adults in the metropolitan Sydney and Melbourne areas and \$131.50 (full year) for those elsewhere.¹¹ In order to achieve the first undertaking presented in the merger scheme (that all members were entitled to receive a similar level of service) members from the ACIAA division effectively had to contribute more resources to the union.

Media, Entertainment and Arts Alliance

The remainder of the chapter will examine a series of issues and events which confronted the new media and entertainment union. These include the organisation's strategy, the provision of services, demarcation problems, the

⁸ Not long after the completion of the merger the AJA commenced discussions with the Advertising Federation of Australia with a view to updating the award (Letter from C. Warren (AJA) to the Advertising Federation of Australia, 13 January 1992).

⁹ See *Australian Financial Review*, 19 April 1994, p. 41.

¹⁰ AJA Circular Memo 5/92, 3 January 1992; Letter from C. Warren to all AJA branch secretaries, 6 May 1992.

¹¹ MEAA memorandum no. 92100, 4 December 1992.

union's administrative practices and the secession of various membership groups. It concludes with an analysis of the MEAA's membership and financial situation.

Union Strategy

While the structure, voting allocations, positions and name for the new union were finalised during the course of negotiations, the political and industrial agendas went largely unaddressed. This effectively meant such matters were established only after the MEAA was formed. This section will examine the new union's strategy in two areas only: recruitment and mergers.

The inaugural meeting of the federal executive of the MEAA was held about one month after the merger was consummated. The executive, which met in late June 1992, sought to approve a financial budget for the new union for the remainder of the year. Establishing the process of property rationalisation and identifying the organisation's industrial priorities were also key issues determined at this meeting. The latter included commercial radio and television, film production and live theatre. In commercial broadcasting the objective was to recruit widely and establish a single award in each of television and radio covering everyone who worked in these two areas.¹²

The union's highest governing body - federal council - first met in late 1992 to further extend the established list of industrial priorities. These included seeking single union coverage in cinemas and the book and advertising industries, the consolidation of all existing print and newspaper awards, and active recruitment amongst variety, cabaret and comedy performers. Federal council also reinforced the position that national awards should be preserved

¹² *The Journalist*, July/August 1992, pp. 1-2. However, it took the MEAA a number of years to achieve a single national agreement in at least one of the commercial television stations - the Ten Network (See *The Alliance*, Autumn 1996, theatrical section, p. 5).

and that workplace level bargaining would only be used to supplement such awards.¹³

Having created an industry union that protected the professional interests of the various crafts that operated within it, the leadership did not want to simply preserve the existing areas of coverage of the constituent unions; rather, it sought to expand them. Here, the union sought to actively recruit other groups within the media, entertainment and arts industries. These included sports coaches, public relations workers and Aboriginal and Torres Strait Islanders. The last target group was supported by the MEAA engaging an Aboriginal employment/industrial officer to improve recruitment, employment, training and career development options for such people.¹⁴

Confirming hypothesis one, the exercise of union strategic choice to extend its jurisdictional coverage involved the allocation of organisational resources. Specifically, the union sought to expand its membership by establishing collective documents in areas that had previously been unorganised. Sports coaches, who traditionally had worked on individual contracts, were among the first group to receive a registered industrial award as a result of the MEAA's efforts. Increasingly, other sports workers were to come under MEAA award coverage.¹⁵ In this context, the MEAA sought to recast surf life saving activities as 'sport' in order to pursue an award for life savers.

While targeted recruitment was to be a priority in the MEAA, the new union also sought further mergers to simultaneously consolidate and expand its position as the premier union within the Australian arts and entertainment sector. This behaviour supports the view of Willman (1996, p. 334) in the United Kingdom who found that trade unions in that country have tended to

¹³ Minutes of the MEAA federal council meeting, 24-27 November 1992.

¹⁴ See *The Alliance*, Spring 1993, p. 8; Autumn 1994, p. 8; Winter 1994, p. 11; Autumn 1995, general section, p. 6.

¹⁵ *Workforce*, no. 1023, 2 June 1995, p. 3; no. 1031, 28 July 1995, p. 2; no. 1056, 16 February 1996, p. 2.

pursue both merger and recruitment as a means of expansion. This evidence contrasts previous research which contends that the recruitment of new members is unlikely to occur alongside union merger activity; the former is a far more expensive form of growth and unions will simply prefer to expand through merger (see Willman, 1989).

In contrast to the view of some who posit that planned absorptions tend to be opportunistic rather than follow a clearly articulated strategy (see Aston, 1987; Elias, 1973), the evidence for the MEAA suggests otherwise. Unions targeted for merger by the MEAA were consistent with its strategy to consolidate all remaining unions in the entertainment industry (broadly defined) into its organisation. In doing so, the MEAA was responding to those unions in its environment that controlled critical resources - in this case the jurisdictional coverage that would allow the MEAA to extend its operating environment. This supports hypothesis two.

The MEAA expressed interest in merging with a number of unions including the Theatre Managers Association, the Musicians Union of Australia, the Artworkers Union of NSW, the Professional Rugby League Players Union and the Australian Soccer Players Association.¹⁶ There were elements too, mainly from the AJA section, which believed that the MEAA should combine with the Printing and Kindred Industries Union (PKIU) when the membership of the latter first voted against a merger with the Metals and Engineering Workers Union (formerly the Amalgamated Metal Workers Union) in mid-1993.¹⁷ The attraction of the PKIU was that it would allow the new union to clearly dominate the newspaper industry. However, this prospect was strongly opposed by officers from the Equity section as this would dilute the arts and entertainment industry focus of the union.¹⁸

¹⁶ See Minutes of the MEAA federal council meeting, 24-27 November 1992.

¹⁷ *The Australian*, 24 May 1993, p. 3.

¹⁸ Interviews with M. Sutherland, 26 June 1996; M. Jacka, 19 July 1996.

The Theatre Managers Association, the Musicians Union and the PKIU did not merge with the MEAA. The first of these organisations became a member of the Federation of Professional and Managerial Employees,¹⁹ the Musicians Union remained an independent union despite concerted efforts by the MEAA to conclude a merger (see previous chapter), while the PKIU successfully merged with the Metals and Engineering Workers Union the second time a membership ballot was held between the two organisations. The PKIU were strongly committed to forging a merger with the Metal Workers' and for this reason were not prepared to seriously consider the MEAA.

The Theatre Managers Association enjoyed a close relationship with the NSW state-registered union of the ATA EA - the NSW Theatrical Employees Union (NSWTEU). The federal secretary of the Theatre Managers Association, for instance, was concurrently an executive member of the NSWTEU. When it became clear that the NSWTEU would secede from the MEAA (see below) and set up a servicing arrangement with the Australian Workers Union, any prospect that the Theatre Managers Association would merge with the MEAA became highly remote.²⁰

It might be assumed that merger became a non-issue after the refusal of the Musicians Union's membership to sanction a merger with the MEAA (see pages 238-239). For its part the MEAA was clearly disappointed with its most recent but unsuccessful attempt to combine with the Musicians Union, and perhaps its patience had run out. Almost immediately after the ballot was declared, the MEAA sought to wrest coverage of the symphony orchestras from the Musicians Union, as the orchestras were known to be dissatisfied with the ballot outcome.²¹

¹⁹ *Workforce*, no. 948, 22 October 1993, p. 2.

²⁰ Interview with N. Steer, 30 April 1996.

²¹ *Sydney Morning Herald*, 29 June 1995, p. 15.

The coverage of symphony orchestras within the Australian Broadcasting Corporation became an inter-union jurisdictional dispute. Following a national referendum of such orchestras conducted under the auspices of the ACTU, which found that the MEAA was the preferred organisation to represent their professional and industrial interests (73 percent of players voted for the MEAA), the MEAA made a section 118a application under the *Industrial Relations Act 1988* to cover the musicians.²² The Musicians Union regarded this as an attempt to siphon membership income away from its organisation, thus forcing it either to merge or risk dissolution. In an attempt to shore up its important orchestra-based membership and stop the planned defection, the Musicians Union moved to accommodate a distinct orchestral section within its structure, reflecting the desire of this group for increased autonomy. This shows, consistent with hypothesis four, that the organisational power wielded by the orchestral members gave this group more power inside the union than other members. It also shows that the strategy favoured by the more collectivist orchestra members contrasted with the prevailing individualised culture of the Musicians Union (see page 99). However, this action by the Musicians Union ultimately proved insufficient as the Australian Industrial Relations Commission in February 1997 approved the MEAA's section 118a application. This decision would result in about 450 orchestral members joining the MEAA.²³ To date, the Musicians Union still remains an independent organisation.

While there was interest by the MEAA in combining with the Theatre Managers Association, the Musicians Union and the PKIU, merger did not take place with any of these organisations. However, the MEAA was successful in merging with two small unions of professional sportswomen and a small union of visual artists. In all three instances, merger took place

²² *Workforce*, no. 1050, 8 December 1995, p. 5; *The Alliance*, Autumn 1996, p. 4. Section 118a of the Act was concerned with organisation coverage and provided an avenue for trade unions to challenge and assume coverage of employees eligible for membership of other unions.

²³ Australian Industrial Relations Commission, print no. N8543, 3 February 1997.

on the MEAA's terms and did not alter the union's basic structure. Furthermore, it also appeared that the MEAA was unwilling to cross-subsidise (cf. Streeck & Visser, 1997; Willman & Cave, 1994) the incoming groups. These unions were largely expected to mobilise their own resources in pursuit of their objectives. These cases are explored below.

(i) The Absorption of the Professional Rugby League Players Union

The merger with the MEAA determined that the absorbing union would endeavour to maintain and, where possible, extend the range of services available to professional rugby league players. The caveat to the provision of services rested upon the level of resources provided by the income from the Rugby League Players Union and the resources of the MEAA generally.²⁴ Upon merging with the MEAA the Rugby League Players' branch renewed its earlier attempts to secure a federal award for its members. In contrast to the methods it had previously adopted, the branch used the conciliation and arbitration system to serve a log of claims on the clubs.²⁵ By mid-1996, however, an award was still to be achieved. Dabscheck (1996, p. 410) argues that this delay was less to do with the intransigence of the Australian Rugby League than it was to do with legal proceedings initiated by disaffected elements within the union about the adequacy of the MEAA's rules to represent professional sportspeople.

Following the merger an internal dispute developed between different officers of the Rugby League Players' branch. This resulted in the activation of the NSW Rugby League Players Union, which coalesced around Kevin Ryan, a former president of the union. This rivalled the Rugby League Players' branch of the MEAA which was led by its secretary, Peter Moscatt. According to Moscatt, there were two reasons for the post-merger schism. First, Ryan felt a loss of control over the union as the power shifted towards the secretary of the branch and away from the president and, second, there was a perception held by Ryan

²⁴ See MEAA memorandum no. 93078, 16 April 1993.

²⁵ *Workforce*, no. 963, 25 February 1994, p. 4.

that the MEAA were simply interested in securing the financial resources of the union. In the first year following merger, \$50,000 from the Professional Rugby League Players Union was paid to the MEAA to cover the cost of the branch secretary's salary.²⁶ The dispute went to the Australian Industrial Relations Commission with the NSW Rugby League Players Union claiming that the MEAA's rules only allowed them to have coverage over sport support workers, rather than the players themselves. The Commission, however, rejected this argument and confirmed the MEAA's coverage of rugby league players.²⁷

The failure to conclude an award and therefore attract players to the union, was also underpinned by wider developments affecting the game of rugby league. In 1995 a rival consortium associated with newspaper proprietor, Rupert Murdoch, and his News Limited Group, attempted to create a 'Super League' competition to rival that of the Australian Rugby League. At issue was control over the game (for example, broadcasting rights) and the attempt to wrestle away monopoly control from the Australian Rugby League. Dabscheck (1996) argues that the process of competition between the two bodies has served to undermine trade unionism among rugby league players as both sides have attempted to entice players to their respective competitions with offers of substantial increases in player income. Despite modest joining fees and subscriptions, such developments have certainly contributed to a very low level of financial union membership among rugby league players. Consequently, the number of industrial staff in the MEAA dedicated wholly to rugby league players has since been reduced.²⁸ This appears consistent with the MEAA's strategy that incoming (absorbed) unions are to be largely self-sustaining and not present a financial burden on other sections.

²⁶ Interview with P. Moscott, 21 June 1996.

²⁷ Workforce, no. 1036, 1 September 1995, p. 4; Australian Industrial Relations Commission, print no. M6710, 2 November 1995.

²⁸ Author's fieldnotes, 13 September 1995.

(ii) The Absorption of the Australian Soccer Players Association

In addition to the situation involving rugby league players, other professional sportspeople were also moving towards a more collective form of representation. It seems that there was widespread latent support for a trade union among soccer players in the 1990s because an industrial organisation was formed in 1993 and soon after boasted a unionisation rate of some 70-75 percent (Dabscheck, 1996, p. 406). It appears that the goal was always to merge with an appropriate union since very little time lapsed between the formation of the Australian Soccer Players Association and its subsequent merger with the MEAA in 1993.²⁹ Professional soccer became the first sport in Australia to gain a registered award regulating pay and working conditions.³⁰ Together with the Professional Rugby League Players Union, the Australian Soccer Players Association constitutes part of the Professional Sports Branch of the MEAA and by 1996 reportedly had 87 percent of eligible soccer players enlisted as members (Dabscheck, 1996, p. 406). This is a far higher proportion than that existing among rugby league players.

(iii) The Absorption of the Artworkers Union of NSW

With the absorption of the Artworkers Union of NSW, the MEAA appeared to follow a similar strategy as that adopted with the Professional Rugby League Players Union and the Australian Soccer Players Association. For instance, the MEAA structure specifically allowed for incoming unions to retain much of their professional identities. Upon fusing with the MEAA the Artworkers Union became known as the Artworkers section of the NSW branch of the MEAA. The section was entitled to one representative on the NSW branch council. It was also to be largely autonomous and determine its own agenda. On some occasions this has meant the absence of practical support from within the

²⁹ *Sydney Morning Herald*, 3 August 1995, p. 52.

³⁰ *Australian Financial Review*, 13 June 1995.

MEAA. In part, the continued maintenance of the union's NSW state registration also reflects its autonomy. The retention of state registration (the union's legal entity) also provides a safety net for the Artworkers section if future circumstances emerge outside the federal industrial relations system.

While the MEAA guaranteed continued publication of *Artworkers News* - the official journal of the Artworkers Union - it nonetheless believed that fees for artworkers needed to be raised.³¹ Dues for members of the Artworkers section were set at \$10 joining or entrance fees and an annual subscription of \$100 (this was still a low figure relative to fees paid by other sections within the MEAA). The Artworkers Union had previously operated a three-tier fees structure where the amount of employment was the principal factor which determined the subscription payable: \$45 per annum had been the highest rate.³² Implicit in the fee increase was an acknowledgment by both unions that more resources were needed in order to provide a higher quality of service than artist members had previously received from the honorary activists of the Artworkers Union. In other words, the services available to the Artworkers section within the union was heavily contingent on the amount of income that the section was able to provide to buttress these services.³³ It was apparent the MEAA sought to minimise the extent to which it cross-subsidised the new section. Perhaps not unexpectedly, the fee increase has reportedly caused many members, a number of whom received low levels of remuneration from their art work, to resign from the section thus compounding or exacerbating the organisational problems faced by the Artworkers section within the MEAA.³⁴

Some of the future services that were to be offered to artworkers if sufficient income was generated included: the allocation of an industrial officer with the

³¹ MEAA memorandum no. 94044, 25 February 1994.

³² See rule 7 'subscriptions' in Constitution of the Artworkers Union (NSW) (revised 1991).

³³ See item 6.3 'Agreement between MEAA and the Artworkers Union (NSW)', n.d.

³⁴ Interview with T. Warburton, 26 September 1996.

aim that a half-time position would be available by the end of 1994 (this has yet to occur); the establishment of basic agreements and contracts;³⁵ a review and possible revamp of artworker publications; and the introduction of superannuation, taxation, legal and discount services to visual artists. The responsibility for any improvements in service rested primarily on the incoming group and not with the MEAA *per se*.³⁶ Markey notes that since the absorption the Artworkers section has been active in preparing an application to make a federal award for artists as well as organising a general recruitment campaign (Markey, 1996, p. 37). The importance of recruitment cannot be overstated as it is a primary means whereby the section could generate increased income and, hence, ensure funding for additional services. There seemed to be some opportunity for growth in membership when, in mid-1994, visual artists in Victoria (represented by the CFMEU) reportedly expressed interest in being represented by the MEAA.³⁷ Despite this, the position and representation of artworkers within the union remains highly fragile.

Union Services

In terms of servicing arrangements, the three unions (AJA, Equity and the ATAEA) agreed prior to the formation of the MEAA that the new organisation would at least maintain all existing services currently enjoyed by members, and that it would be the union's policy that all members were entitled to the same level of service wherever they lived or worked within Australia. The latter objective suggested an overall improvement in services - which is consistent with one of the espoused benefits of merger noted in Chapter Two - as it was recognised that in the short term individual sections of the union may need to be targeted for extra servicing.

³⁵ By 1995 only one industrial agreement covering artworkers had been reached. This was at Sydney's Luna Park (see *The Alliance*, Summer 1994, p. 5).

³⁶ See item 7 'Agreement between MEAA and Artworkers Union (NSW)', n.d.; MEAA memorandum no. 94070, 23 March 1994.

³⁷ Letter from H. Manley (MEAA Victoria joint state secretary) to A. Britton, (MEAA), 21 June 1994.

There are mixed views about whether the level of servicing has expanded as a result of the merger. Certainly, one of the areas where the MEAA was most conscious of conveying to its journalist members its servicing capabilities, was the work that it was doing on behalf of its freelances.³⁸ This included legal advice, specialist freelance seminars and a work-referral service. It is most likely that this attention was an attempt to restore relations with its freelance constituents. There had been, as noted in the previous chapter, evidence of dissatisfaction with the policies and services of the former AJA by many freelance journalists; the orthodox view was that the 'vote no' merger case had been supported by a number of NSW freelance members (see pages 219-221).

Some leading union officers in the post-merger period have contended that while the level of membership servicing has generally not declined at an aggregate level, neither has it dramatically increased as previously indicated by the campaigns of the three former unions. This outcome could be related to the on-going demarcation disputes (see the next section) faced by the MEAA where "resources have been taken away from doing important union work to fight little fires all over the place"³⁹ and to the deteriorating financial situation of the union (see Table 17 below). However, there was a belief that the level of political power wielded by the MEAA has expanded, and that the lobbying results of the larger union have achieved more successful outcomes than had the three organisations (AJA, Equity and the ATA EA) continued to remain independent.⁴⁰

Moreover, the new union secured the position of *principal* union under the ACTU's restructuring plan in a number of its important operating sectors. While small in comparison with most of the other union groupings that have

³⁸ See, for example, *The Alliance*, Spring 1993, p. 13; Summer 1993, p. 21.

³⁹ Interview with E. Thomson, 6 March 1996.

⁴⁰ Interviews with N. Steer, 30 April 1996; M. Sutherland, 26 June 1996.

formed as a result of merger activity in Australia, the MEAA has nonetheless established itself as a 'super union'. By 1993 it was one of twenty-one union groups represented on the council and executive levels of the ACTU (Gahan, 1993, p. 623). This representation was achieved despite one of the MEAA's constituent members - the AJA - not being affiliated to the ACTU in its own right. Under the merger agreement the AJA section of the new union was to retain its political independence (see Appendix Two).

While leading officers of the union contended the merger had produced more leverage in political lobbying efforts, it is unclear whether there was a similar increase in the union's bargaining power. Convention maintains that "one of the determinants of the bargaining power of a union is its ability to conduct a strike" (Chitayat, 1979: 21). However, the MEAA's sectional structure ensures the protection of the its constituent parts. As such, the structure allows the respective sections to remain independent of each others' industrial problems. This feature is likely to undermine rather than strengthen the union's capacity to engage effectively in collective action (see also Yates, 1995). Under such conditions, it is therefore difficult to see how the bargaining power of the MEAA was enhanced as a result of the amalgamation. This stands in contrast to the view of merger proponents (e.g. Brooks, 1981). Thus, increased size does not necessarily result in more union power (Dufty & Fells, 1989, p. 157; Yates & Ewer, 1997, p. 133).

Demarcation Issues

The wholesale restructuring of the Australian trade union movement from 1987 and the necessary political compromises between forming industry unions and accommodating the interests of craft and occupational unions in this process, always suggested that the result would not eliminate the structural problems that previously existed between unions. Coverage of workers by different unions still remained a source of friction in many industries (see for example, Kelly, 1995, pp. 142-144).

Following the merger in 1992, demarcation disputes flared between the MEAA and the Public Sector Union (PSU) in the Australian Broadcasting Corporation and the Special Broadcasting Service, although there were indications that the inter-union conflict had been evident for some time prior to this.⁴¹ The former AJA and the PSU had previously had differences over coverage in the Australian Broadcasting Corporation with the AJA claiming that the PSU had attempted to entice some of their members away from them.⁴² For its part, the large public sector union was aggrieved that the AJA had previously sought to enrol some employees in the Australian public service who were apparently eligible for membership of their organisation.⁴³

The demarcation problem was exacerbated by the merger of the 4,000 member Professional Radio and Electronics Institute of Australasia (PRELA) with the PSU in late 1992. The PRELA's main private sector membership consisted of technical employees in commercial radio and television. Essentially, this merger has meant that a large union with coverage in the public broadcasting sector has established a foothold in the private broadcasting sector for the first time and now posed a direct threat to areas of the MEAA's coverage.⁴⁴ This suggests that environments in which trade unions operate are characterised by considerable change and uncertainty. In the context of demarcation disputes this inevitably means that unions will attempt to manage their changing dependencies to secure as favourable a position for themselves. This supports hypothesis three.

⁴¹ MEAA memorandum nos. 92051, 11 September 1992; 92080, 12 October 1992.

⁴² This dated back to the rivalries between the AJA and the ABC Staff Union. The latter was a constituent organisation within the Public Sector Union which merged with the State Public Services Federation to become the Community and Public Sector Union (CPSU).

⁴³ See AJA Circular Memo 133/90, 4 May 1990.

⁴⁴ *Australian Financial Review*, 3 August 1992, p. 5; MEAA memorandum no. 92020, 14 August 1992.

Recent developments have seen the inter-union dispute centre around coverage of a new area of employment - pay television. The MEAA had negotiated pay television enterprise agreements within the Australian Broadcasting Corporation, Australis, and Australian Information Media, the terms of which all excluded what had now become the CPSU.⁴⁵ Industry reports predicted that pay television would create many jobs; for the MEAA this meant new opportunities for recruitment (and membership resources) within the entertainment sector.

In addition to the CPSU, the new media and entertainment union also found itself in dispute during 1994-95 over coverage of certain companies in the exhibitions area and theme parks with the Australian Workers Union (AWU). Two of these theme parks were Seaworld, located in Queensland, and Luna Park in Sydney. The MEAA believed that in return for the promise of sole coverage rights by the AWU, an agreement had been made with the companies which reduced wages and conditions. Potentially, the MEAA saw the agreements as threatening to undermine employment conditions for those working elsewhere in the industry. It also threatened to reduce the membership catchment area of the union. Despite efforts to ensure this did not occur, the AWU was awarded coverage at Seaworld and Luna Park by the Australian Industrial Relations Commission.⁴⁶

Problems with the AWU were exacerbated when both the Queensland and NSW state-registered unions of the ATAEA seceded from the MEAA (see below) and combined with the AWU. For as long as the two unions were in competition for members, there would clearly be downward pressure on wage levels with employers favouring the union that was willing to provide the lowest labour costs. A compromise between the unions was not reached until late 1996 when it was jointly agreed that the MEAA would retain coverage of its core live theatre, film, television and cinema areas in NSW

⁴⁵ *Workforce*, no. 983, 22 July 1994, p. 4; *The Alliance*, Winter 1995, theatrical section, p. 1.

⁴⁶ *The Alliance*, Summer 1993, p. 15; Autumn 1996, theatrical section, p. 6.

while the AWU would represent amusement arcades, theme parks, exhibition centres and some coverage at the Sydney Olympic site.⁴⁷ Consistent with hypothesis four, it was argued by one former ATAEA officer that this agreement ultimately demonstrates that the parts of the ATAEA that were not connected with 'high' culture were discarded by the other two sections (the former AJA and Equity) within the MEAA. In other words, there was a prevailing sense of cultural elitism (page 178) that precluded the long term viability of theme parks, amusement arcades and outdoors areas within the MEAA in NSW.⁴⁸

Union Administration and the Rationalisation of Positions

To implement some of the negotiated changes in the administration of the new union, a number of steps needed to be taken prior to the formation of the MEAA. The necessary actions were to be co-ordinated by the federal management committee of the MEAA. For instance, preparations were made to establish the national budget including fixing the billing period at two months (previously, the AJA had allowed members three months in which to pay their subscriptions). In addition, an inventory or audit of all union staff, office and computer equipment and other assets was sought by the leadership of the new union. The purpose of this survey was to identify areas where duplication of resources existed and, hence, where economies of scale could be realised.⁴⁹ The more difficult part of this overall exercise would involve the likely savings and costs associated with the physical merger or consolidation of the three unions' existing federal and branch accommodation.

One of the espoused benefits of merger was the achievement of economies of scale in union administration. To this end, one of the early tasks faced by the

⁴⁷ *The Alliance*, Summer 1996, p. 7.

⁴⁸ Interview with M. Strassberg, 15 November 1996.

⁴⁹ AJA Circular Memos 94/92, 15 April 1992; 95/92, 16 April 1992.

MEAA's officers involved the rationalisation of the constituent unions' properties. Sydney was the location in which the offices of the three unions was first consolidated. Both the federal and NSW branch offices of the MEAA were accommodated in the large Equity building in Redfern by the end of 1992. The South Australian branch was to follow where the offices of the former AJA were extended to house the former Equity and ATAEA branches in that state.⁵⁰ This arrangement was not feasible in Victoria where all three organisations had previously managed sizeable operations; in mid-1993 the MEAA purchased a building for \$678,000 to accommodate the branch. This was made possible by selling the buildings owned by the three former unions in Victoria.⁵¹

Although the MEAA was legally created on 18 May 1992, the constituent unions determined that, as far as practical, they would continue to operate separately until 30 June 1992. This delay was to provide the new organisation with more time to sufficiently understand and implement the necessary operational details involved with the merger. Some of the unions even extended their own methods and practices for a period beyond this date. For example, the last issue of the AJA's newspaper, *The Journalist*, was published in September/October 1992.

The new union's major publication, *The Alliance*, first appeared in late 1992. The magazine was scheduled to appear each quarter and for its early years was divided into four sections - general news, media news, entertainment news and theatrical/amusement news - to recognise the different interest groups within the organisation. Table 16 below traces how frequently *The Alliance* was actually published, edition size, and whether there was one edition common to all sections or three separate editions produced over a four year period.

⁵⁰ *The Alliance*, November/December 1992, p. 8.

⁵¹ *The Alliance*, June 1993, p. 22.

Table 16: Characteristics of the Union's Main Publication, 1992-1996

Reference Date	Issue Size	Number of Separate Magazines Produced
Nov/Dec 1992	28pp.	Single issue
March Quarter 1993	32pp.	Single issue
June Quarter 1993	28pp.	Single issue
Spring Quarter 1993	28pp.	Single issue
Summer 1993	28pp.	Single issue
Autumn 1994	28pp.	Single issue
Winter 1994	28pp.	Single issue
Spring 1994	28pp.	Single issue
Summer 1994	28pp.	Single issue
Autumn 1995	16pp.	Three issues
Winter 1995	16pp.	Three issues
Autumn 1996	12pp.	Three issues
Winter 1996	12pp.	Single issue*
Summer 1996	12pp.	Single issue*

* These two single issues only dealt with entertainment and theatrical/amusement news. Media news was covered in a publication other than *The Alliance*.

The table reveals two broad findings. First, that up to and including the Summer 1994 issue the magazine was regularly produced and of a standard size and format. Second, from 1995 issues did not always appear each quarter, issue size had been markedly reduced, and the union had started to experiment with producing three separate variants of *The Alliance* for the members of its three main constituent organisations. This perhaps suggests that the various AJA, Equity and ATA EA sections wanted to enhance their independence by receiving a publication which only dealt with issues of concern to each group. However, the juncture at 1995 coincides with wider developments; namely, the attempt to control expenditure in a context where the union was under considerable financial strain (see below). Reducing printing and publication costs (fewer and smaller issues) was seen as one area where savings could be realised. The experiment with producing three separate issues did not endure for long.

In terms of other administrative arrangements there was consideration given to establishing a unified system of data and records management across the union. If successfully managed, this could reinforce the centralised nature of the MEAA (cf. Rees & Owens, 1993). The issue of a national computer system had been raised between the three unions prior to the actual merger although this matter had not been settled by the time the MEAA was formed.⁵² The implementation of a national membership system took longer than expected and as late as 1996 - four years after the merger - three separate membership systems continued to operate within the MEAA. The delay was attributed to the different computing facilities not only across the three former unions but also within different branches of the same union. It was further compounded by the financial difficulties being experienced by the organisation. The expenditure of large amounts of capital on the rationalisation of computing facilities became problematic in a climate of declining union assets (see Table 17 below). Overall, the delay reveals a paradox in the locus of control within the union arising from certain administrative aspects; while the MEAA had adopted a centralised financial structure, the disparate membership systems reinforced a decentralised approach.

In addition to administrative arrangements, the merger agreement noted that the duplication of officer positions would have to be rationalised in the post-merger environment. Under the merger agreement, all positions in the MEAA (except appointed staff) were to face elections in mid-1993. At this time, all honorary positions were to be elected for two-year terms, while all full-time positions were to run for a four-year term, except where there were joint secretaries. Here, the election was to be for a two-year term. At the conclusion of that term, all remaining joint positions were to revert to single positions. This meant that the position of joint secretary in South Australia, Victoria, Queensland and the federal organisation would continue until 1995 and then an election would be held for a single secretary position.

⁵² See, for example, AJA Circular Memo 169/91, 21 June 1991.

Despite strong opposition from ATA EA delegates, at the MEAA's first federal council meeting in November 1992 the rules were changed to enable branch committees to expedite the process of rationalisation of joint secretaries. The result in South Australia was the loss of the joint branch secretary position and concomitant section representation held by the ATA EA sooner than what had been noted in the merger agreement. This move appeared to be actively sanctioned by the AJA and Equity representatives on federal council.⁵³

In addition, the first set of elections in mid-1993 saw other changes and internal manoeuvring between officers from the MEAA's constituent unions take place (cf. Carter, 1997). The full-time federal president (from an ATA EA background) did not contest the elections and was replaced by an AJA person. In NSW the full-time branch president, who resigned prior to the elections, was replaced by another AJA representative. The departure of the two incumbents further allowed the union to change the positions of both federal president and NSW branch president to that of an honorary status. The former ATA EA was unsuccessful in its bid to retain its joint Victorian branch secretary position when Equity and AJA personnel secured the two joint positions.⁵⁴ The brinkmanship evident earlier in the negotiations over the position of the ATA EA in Victoria (page 185), was clearly absent on this occasion. Equity had previously occupied the position of Victorian assistant branch secretary with this now held by an ATA EA representative after the elections.

The 1993 elections also saw the resignations of the Queensland joint branch secretary (Equity), and two assistant federal secretaries (AJA and the

⁵³ Minutes of the MEAA federal council meeting, 24-27 November 1992; Open letter from A. Mack (MEAA SA joint branch secretary, 14 January 1993).

⁵⁴ By her own admission, the former Victorian joint secretary (ATA EA) had been an advocate of developing strong branches, rather than a centralised federal structure as was the case with the MEAA (Interview with E. Anderson, 10 July 1996).

ATAEA). However, in all three cases, the representational balance was maintained and they were all replaced by officers from their own former unions.⁵⁵ Despite the intention to reduce rather than create additional positions, there was a fourth assistant federal secretary position established at this time. The incumbent for this came from the AJA section.

At the conclusion of the MEAA's first elections, the union had effectively reduced the number of paid elected officers by two. The federal president, NSW branch president and the South Australian joint branch secretary had departed, but there had been an additional assistant federal secretary position created. The internal balance between the three unions had also effectively started to shift with a deterioration in the voting strength of the ATAEA section resulting from changes to the full-time ATAEA officer representation. The ATAEA had lost the positions of federal president and joint branch secretary in both the South Australian and Victorian branches. Consistent with hypothesis four, this placed the other two sections - the AJA and Equity - in a stronger relative position within the organisation.

The general reduction in elected ATAEA positions (and/or personnel) was not unplanned. According to one senior MEAA officer, "no-one was under any doubt that most of their officers had to be got rid of. And that's what happened...they were incompetent. The ones who were good stuck around".⁵⁶ While incompetence was mentioned as a reason, there was also the related possibility that the diminution in the number of ATAEA officers was because they did not 'fit' into the culture of the new union. The MEAA had clearly defined itself as a union with a centralised and national focus which required strong federal leadership. A number of the ATAEA officers who had departed were described as having operated differently; their decision-making processes had previously revealed a commitment to widespread consultation. This approach sometimes meant that decisions

⁵⁵ *The Alliance*, Spring 1993, pp. 3, 22.

⁵⁶ Interview with M. Sutherland, 26 June 1996.

took longer to conclude or that settlements were not reached because of the need to stand firm on issues of principle.⁵⁷

Further reductions in full-time elected officers occurred so that by the end of 1994 all branches only had single secretary positions. One of the joint secretaries in each of the Victorian and Queensland branches had resigned leaving only a single position.⁵⁸ This effectively reduced one senior position for each of the AJA and Equity sections, respectively. The effect of this was negated somewhat, when the AJA and Equity sections received the positions of assistant branch secretary in Victoria and Queensland, respectively. This helped to maintain the internal balance between these two sections. Notwithstanding the rationalisation that was occurring in its branches, joint positions still remained in the union's federal office where two federal secretaries and four assistant federal secretaries worked.

By the end of 1996 the ATA EA section had lost a further full-time elected position within the MEAA. The NSW assistant branch secretary had resigned to take up a position elsewhere and was replaced by a person from the AJA section. While the change possibly suggested an attempt by the MEAA to minimise the 'them and us' perceptions held by the different sections towards each other, it is argued that a more germane explanation lies with the struggle for internal union control. In many peoples' minds this event continued to reinforce both the reduction in ATA EA identity and power, and the concomitant ascendancy of sections, such as the AJA, within the union.

Union Breakaways

Breakaways or secessions of groups of members from established trade unions to form their own independent organisations have been of considerable interest to scholars of trade unions since the seminal work of

⁵⁷ Interviews with K. Ophel, 16 February 1995; E. Thomson, 6 March 1996.

⁵⁸ *The Alliance*, Summer 1994, p. 2.

Lerner (1961). While breakaways are often seen as synonymous with union factions, it is argued that nonetheless they are analytically distinct by virtue of the possibility that factions may be contained and expressly accommodated within a union's existing governance structures (see Lipset *et al.*, 1956; Prindle, 1988). It may perhaps be more accurate to depict intra-union conflict or factionalism as a continuum of which breakaways is the most extreme form. Or, to state it another way, breakaways are unlikely to be caused by cosmetic differences between opposing groups.

Some have defined a breakaway as occurring when "an unregistered group of workers resign their membership from their officially recognised parent union and pursue the right of representation and negotiation with management" (Faulkner, 1984: 4). Perhaps this definition is unduly narrow in industrial relations as it assumes that groups of members may not secede from their parent union and attempt to survive in any other fashion. Unlike Faulkner (1984) this study contends that a union breakaway may also occur when state branches split from their federal or parent body without the consent of the latter. Even though the imperative for breakaway survival may not be as pressing under such circumstances because of the retention of the organisation's state registration, the action, nonetheless, conforms to the essence of a breakaway - an unapproved schism or separation from the parent union body (see also Waddington, 1995, p. 12).

While it has been posited that there is no necessary link between union size and breakaways (Allen, 1957, p. 58), the available empirical evidence would tend to suggest otherwise (see Waddington, 1995). Union breakaway propensity seems to be related to union expansion by way of merger. In terms of union structural events, a breakaway has effectively been defined as the reverse of a merger (Visser & Waddington, 1996). The issue of membership and even leadership satisfaction with a union merger is therefore a significant one because of the potential implications that might arise from this for breakaways. For instance, it has been argued that while mergers do not necessarily result in the disappearance of various sectional

groups (Streeck & Visser, 1997; Teicher, 1986), a merger may increase the risk that certain sectional interests are not met (Bright, 1981). Because many trade unions over-represent their better-paid members (see Terry, 1996, p. 105) this could result in some sections or groups becoming disaffected by their relative lack of representation in the new organisation, therefore adding impetus for a breakaway. Pressures for breakaways also tend to increase in the context of greater membership heterogeneity and a centralised post-merger union structure (Lerner, 1961; Waddington, 1995).

Under Australia's co-existing or dual system of industrial relations (federal and state registration),⁵⁹ the Queensland and NSW branches of the former ATA EA seceded from the MEAA. The two right wing branches broke away in their capacity as state-registered unions and, in both cases, sought to merge with the large and powerful Australian Workers Union (AWU) in their respective states.⁶⁰ The Queensland ATA EA state union immediately merged with the Queensland AWU state union, whereas in NSW the branch initially enjoyed a servicing arrangement with the AWU but retained its own identity - the NSW Theatrical Employees Union. It was, however, looking to eventually merge with the AWU. This overview of events supports the claim that the Australian system of co-existing registration can be manipulated by opposing factions in cases of intra-union conflict (Mourell, 1995).

There were indications prior to the formation of the MEAA that problems existed in both the Queensland and NSW branches of the ATA EA. In early 1991, for example, the NSW branch of the ATA EA signalled to the rest of its union that problems with the proposed merger could arise on a state level. It indicated that it would not merge its state-registered body (NSW Theatrical Employees Union) unless Equity's state union moved towards a properly

⁵⁹ The landmark *Moore vs. Doyle* case established that state-registered unions have a separate legal status from their federal organisation although in practice they typically constitute branches of the federally-registered trade unions (*Moore vs. Doyle* (1969) 15 Federal Law Reports 59).

⁶⁰ *Workforce*, no. 1007, 3 February 1995, p. 8.

functioning entity. In contrast to the ATA EA which had an operational state union in NSW,⁶¹ the state union of Equity was only a shell organisation. Moreover, the Theatricals' state union did not feel that it was bound by any merger agreement entered into by its federal union.⁶² The primary reason for this was that the NSW Theatrical Employees Union wanted to ensure that it retained control over industrial issues that it considered important. This was due to differences of opinion between Equity and the ATA EA over industrial priorities in NSW.⁶³ This action suggests that unions which consist of a number of different occupational groups following merger may be confronted by problems of 'internal organisational drift' (Yates, 1995, p. 79). This is where one section of a union is at odds with another over resource allocation and priorities (see also Plowman, 1992, p. 276). This is not incompatible with the study's integrated strategic choice-resource dependence perspective. Finally, the branch officers had expressed reservations about the inclusion of the AJA in the merger negotiations it was then having only with Equity. This change was seen as placing the ATA EA at a relative disadvantage in the negotiations.

While the NSW branch of the ATA EA had initially been in favour of the proposed merger and supported efforts to make it happen (for instance, it had moved into offices in Equity's new building in Redfern), the same could not be said for the union's Queensland branch. The problems that the ATA EA experienced with its Queensland branch are far more entrenched than that faced with its NSW branch. Tensions between the federal union and the Queensland branch date back to at least the mid 1980s when the federal body established itself as a left wing organisation. In contrast, the

⁶¹ The emergence of the NSW Theatrical Employees Union was facilitated by the Hoyts cinema dispute because as a federal union which lacked state registration in NSW, the branch was unable to seek reinstatement of dismissed members under the state industrial laws as they then applied (Interviews with M. Strassberg, 15 November 1996; M. Taylor, 18 November 1996).

⁶² Minutes of ATA EA federal council meeting, 17-19 April 1991; Letter from M. Taylor (ATA EA) to A. Britton (Equity), 3 April 1992.

⁶³ Interview with N. Steer, 30 April 1996.

Queensland branch remained aligned with the right wing of the Australian labour movement. The effects of the differences in political complexion were noticeable: between November 1984 and October 1986 Queensland branch officers did not attend any federal meetings of the union.⁶⁴

The differences between the federal union and the Queensland branch were not simply ideological. There were generational differences (the officers in Queensland were older than many other ATA EA officers) as well as differences over the appropriate method of servicing members. In 1986 a federal industrial award was achieved by the federal union office for members at the Queensland Performing Arts Centre. The Queensland branch believed that a state award was sufficient and that federal intervention at the Centre cast an aspersion on the reputation and ability of the branch officers. Tensions were again heightened in 1987 when the federal office believed that a state-registered agreement the branch had entered into for the upcoming Expo '88 event was not in the best interests of the membership.⁶⁵ Around this time, concerns were also expressed by the federal office that the Queensland branch was not properly accounting for membership fees and, in particular, that the appropriate sustentation or capitation fees were not being remitted to the federal union.⁶⁶

Against a backdrop of widespread and costly internal (Queensland branch) and external (the Hoyts case) disputation, the federal office of the ATA EA initiated steps from the late 1980s to shift the union towards a centralised model of funding and method. It could also be argued that the move towards a centralised structure was further precipitated by the merger negotiations that the union was then having with the AJA and Equity. The latter, in particular, was an uncompromising supporter of centralised

⁶⁴ Minutes of ATA EA federal executive meeting, 22-24 October 1986.

⁶⁵ Affidavit of C. Livingstone (ATA EA) in *McJannet vs. White*, Federal Court of Australia, undated (see *McJannet vs. White* (1994) 122 Australian Law Reports 82).

⁶⁶ Interview with M. Taylor, 18 November 1996.

funding and argued forcefully that this arrangement be the structure for a merged organisation (pages 177-178). Despite vitriolic opposition from the Queensland branch to its introduction, central union funding took effect from October 1991. Among others, this transition strengthened the internal power of the federal ATAEA office in relation to the branches.

The issues of centralisation and merger were inextricably related. The Queensland branch was reluctant to cede its autonomy and refused to hand over funds to the federal organisation until such time as a merger, which appeared imminent, actually occurred.⁶⁷ At face value, this suggests that there was support for the proposed AJA-Equity-ATAEA left wing merger within the Queensland branch. This view was incorrect. The political machinations and resulting compromises of the merger negotiations meant that current ATAEA Queensland branch officers would not hold paid office in the proposed MEAA (see Table 10 on page 187). Given both the recent history of strained relations with its federal organisation and the absence of any promised representation in the new media and entertainment union, the Queensland branch was prepared to consider merger offers from other right wing unions, but particularly those which might allow them to retain their structural and financial independence.⁶⁸ This example confirms the importance of the political or ideological view of trade unions in the merger process (see Buchanan, 1981b; Strauss, 1993).

Over a number of years the Queensland branch of the ATAEA had developed a close working relationship with the right wing Australian Workers Union (AWU). A number of collaborative arrangements had been established between the two unions in theme parks, showgrounds and

⁶⁷ Minutes of ATAEA federal executive meetings, 26 June 1991; 16 October 1991.

⁶⁸ Letter from H. White (ATAEA Queensland branch president) to K. Ophel (ATAEA federal secretary), 19 June 1990. Under section 13(4) of the then Queensland *Industrial Relations Act* unions with less than 2,000 members faced the prospect of de-registration. To ensure its survival under the legislation the ATAEA Queensland branch considered that a merger with another union would allow it to reach this minimum threshold figure.

racecourses. The industrial collaboration between the ATA EA Queensland branch and the AWU threatened to erode the position of the federally-registered ATA EA in theme parks and outdoor areas more generally within Queensland. This behaviour, in addition to the repeated failure of the branch to comply with the union's rules and hand over its funds to the federal organisation, gave rise to the commencement of formal disciplinary proceedings against the Queensland branch in December 1991. Not surprisingly, the Queensland branch secretary regarded this as a federal union attempt to forcibly remove him from office.⁶⁹

Concurrent with the commencement of (internal) union intervention, a member of the Victorian branch of the ATA EA initiated (external) court action against the branch seeking its compliance with the rules. However, this did not stop the branch, in its capacity as the Queensland state-registered union of the ATA EA, from seeking a merger with the AWU. This effectively meant that the Queensland branch of the ATA EA was decimated in terms of its membership when the merger between the AJA, Equity and the ATA EA occurred.⁷⁰ A merger with the large and powerful AWU offered the Queensland ATA EA state union considerable protection. For example, 57,000 members or half of the AWU's national membership in the late 1980s were located in Queensland (Hearn & Knowles, 1996, p. 336). For its part, the Queensland ATA EA state union was an attractive proposition to the AWU as the latter union was well known for securing membership growth by merging with other unions (Griffin & Scarcebrook, 1989).

Supporting hypothesis three, the ATA EA (which had now become the MEAA) sought orders restraining the merger between the Queensland state-registered unions of the ATA EA and the AWU. The case was prolonged and

⁶⁹ Letter from J. Beattie (ATA EA) to C. Livingstone (ATA EA), 31 March 1992.

⁷⁰ At 31 December 1989 there were 588 members in the Queensland branch with this figure falling to 148 members by June 1992. There appeared to be no rational explanation for the decline which resulted in an implied accusation by the federal union that there had been a channelling of branch members into the state union (Affidavit of C. Livingstone (ATA EA), in *McJannet vs. White*, Federal Court of Australia, undated). This was also noted on page 232.

difficult; a Federal Court decision which overturned the AWU-ATAEA merger was appealed to the High Court, which in 1995 declared that the state union merger was in fact valid (see Mourell, 1995; 1996). This decision upheld the principle of co-existing registration of trade unions. The Queensland ATAEA state union had successfully split from its parent body and merged with a competing trade union. Along with the NSW Theatrical Employees Union which enjoyed a servicing arrangement with the AWU, these two cases subsequently became a source of demarcation problems for the MEAA (pages 262-263).

While the creation of distinct sections or divisions to incoming groups may facilitate a merger, it might also ease departure at some future point as well (Willman & Cave, 1994). In the present situation it was not so much the sectional structures which allowed the breakaways, but rather the prevailing institutional structures.

Union Membership and Finances

When the MEAA came into existence in May 1992, the combined financial membership of the three constituent trade unions was 30,898 members.⁷¹ By December 1992 the figure had declined nearly five percent to 29,479 financial members.⁷² From this point, the union was far more reserved in publishing details about changes in its membership. Instead, the MEAA's primary magazine, *The Alliance*, was replete with illustrations or examples of where and to what extent the union had achieved wage increases on behalf of its members. It is unclear, however, whether these wage increases were due to the increased bargaining power of the union, the wage precedents or standards that had been established in other industries, or the need to

⁷¹ This figure is derived by adding the column totals for 'eligible voters' in Tables 12-14 inclusive on pages 229-232. For current purposes it is assumed that there was no membership change between the declaration of the ballot results in March 1992 and the formation of the MEAA in May 1992.

⁷² *The Alliance*, Summer 1993, p.22.

modernise awards and agreements that had not been updated for some time by the three former unions.

In its earlier application for an exemption from the requirement to ballot members in the merger proposed with the Musicians Union, the MEAA was required to provide the Australian Industrial Relations Commission with its membership figure. At 14 October 1994 the number of financial members of the MEAA was given as approximately 30,000.⁷³ In conjunction with the figures provided above, this suggests that in its first two years the financial membership of the new union was largely static. This conclusion must be treated with some caution because, as already noted, the union had a plethora of membership systems in operation throughout Australia. In addition to the high annual turnover of some sections within the union (for example, Equity and the ATA EA), accurate membership figures for the MEAA were difficult to obtain. This problem does not appear to be confined only to this study; the collection of reliable union membership data is a notoriously difficult exercise (see Davis, 1996).

The relatively stationary membership in the MEAA's early years does not mean that the membership was unaffected by internal and external developments. There have been areas within the MEAA's coverage affected by industry restructuring which, unless the union had successfully been able to recruit new members to at least offset the job losses, would have seen a net decrease in membership. However, in conjunction with the additional members brought in as a result of absorbing the Artworkers Union of NSW, the Professional Rugby League Players Union and the Australian Soccer Players Association, recruitment efforts, on balance, have so far failed to provide substantial growth in the union's membership. This is despite a significant increase in employment levels within the arts and entertainment

⁷³ Australian Industrial Registry file no. D20009/94, 129V, Affidavit of A. Britton (MEAA), 10 November 1994, item 7. The total membership of the MEAA at November 1994 was 58,436 (Letter from A. Britton to M. Buchanan, Australian Industrial Relations Commission, 23 December 1994).

sectors during the early 1990s.⁷⁴ It appears, therefore, that the union's recruitment and merger strategy has simply maintained the union's membership at its 1992 level. In the absence of merger activity it is possible that the union's membership would have been lower than its current level. However, this issue was beyond the scope of the study and is not examined here.

The areas in which the union has experienced a decline in its membership are varied. In NSW, for example, the ATA EA outdoors membership section lost a considerable number of members at racetracks. The decline in employment levels was due to lower attendances at racetracks brought about by greater televising of races and the more widespread establishment of betting agencies in clubs and hotels.⁷⁵ In addition, radio station takeovers were seen as responsible for the loss of some jobs, and budget cuts to the Australian Broadcasting Corporation and the arts community generally by the federal Conservative government, elected in March 1996, resulted in both actual and anticipated job losses.⁷⁶ Due to changing circumstances such as the development of pay television, commercial television has also been an area where the MEAA has experienced a rationalisation of its production staff ('below-the-line') members.⁷⁷ Finally, and as discussed earlier, some areas of traditional Theatricals' employment in NSW were abandoned to the AWU in late 1996 in an attempt to settle a longstanding struggle over coverage rights.

The state of the MEAA's finances are presented in Table 17 below. It shows that a considerable decline in net assets or accumulated funds has been experienced by the union since its formation. Between May 1992 and

⁷⁴ *Sydney Morning Herald*, 23 October 1996, p. 3; 18 July 1997, p. 15.

⁷⁵ *The Alliance*, Autumn 1994, p. 12.

⁷⁶ See *The Alliance*, Autumn 1996, media section, p. 9; Summer 1996, p. 3, 6.

⁷⁷ *Sydney Morning Herald*, 27 November 1996, p. 3.

December 1996 net assets fell nearly 92 percent (from \$3.87m to \$297,000).

Table 17: Net Assets of the MEAA, 1992-96

Year (at 31 December)	Net Assets	Change (%)
1992 ¹	\$ 3,870,556	n/a
1992	\$ 2,122,129	-45.2
1993	\$ 1,016,812	-52.1
1994	\$ 211,895	-79.2
1995	\$ 219,204	+3.4
1996 ²	\$ 297,000	+35.5

Source: *The Alliance* (various issues).

¹ At 15 May 1992.

² This figure comes from M. Crosby, *Media, Entertainment and Arts Alliance: Operational Review*, 1 December 1997, p. 10.

In addition to a dramatic decline in its asset base, the MEAA experienced an operating deficit of \$1.17m in the seven months to December 1992 with a further loss of \$494,000 posted over the following twelve months (1993). Increases in overall staff salary costs and interest paid on borrowings were two items which substantially contributed to the union's deficit.⁷⁸ The union continued to operate at a loss through 1994 where expenses exceeded income by \$705,000. It was not until the end of 1995 that the organisation managed to record its first, albeit modest, operating surplus of \$64,000.⁷⁹

The union's financial pattern over the period 1992 to 1996, however, is one of substantial decline. This trend contrasts one of the espoused benefits of merger: that restructuring would provide the new trade union with greater financial power and, hence, allow it to secure economies of scale in its operations. Previous research suggests that there may be a minimum

⁷⁸ *The Alliance*, Summer 1994, pp. 26-27.

⁷⁹ *The Alliance*, Winter 1996, p. 11.

threshold size of about 50,000 members beyond which unions in Australia achieve economies of scale (Davis, 1996, p. 12). Prima facie, this finding suggests that the MEAA was insufficiently placed to achieve such economies because it had fewer members than this figure.

As Latta (1972) has noted in the United Kingdom, mergers may result in higher expenditure, at least in the short term, because of the costs associated with attracting potential partners. There were a number of reasons for the decline in the MEAA's financial capabilities. In the first seven months of its existence, a number of one-off expenses were incurred by the union. Extraordinary costs of \$560,000 resulted during this period and came from expenditure directly associated with the merger (for example, the printing of new stationery and accommodating the full-time officers from all the unions) as well as capital losses on the sale of surplus properties.⁸⁰ The latter reveals how the rationalisation of existing union properties can sometimes involve costs rather than savings. In the present case, many existing properties were divested during a downturn in the real estate market, suggesting that the realisation of economies of scale are not unaffected by external environmental factors.

Apart from the physical costs associated with merger, a second reason identified for explaining the MEAA's financial crisis was that the union's leaders were ill-prepared for the cultural shift that accompanied the operationalisation of the merger. The combination of three unions' funds provided considerably more money and an apparently greater margin for financial error, than what the officers of all three organisations had previously managed. It was contended by various respondents that, first, the financial skills necessary were largely absent (cf. Riches, 1984, p. 104) and, second, that the larger financial pool created an illusion in its early years that the MEAA did not have to be quite so prudent with its finances. By 1994

⁸⁰ *The Alliance*, Summer 1993, pp. 22-23; Interview with K. Nomchong, 15 June 1994.

this had led to a situation where the federal union was overspending.⁸¹

Interestingly, there had been a recognition by the Victorian branch of the former AJA in mid-1991 that the new union would require additional management expertise. It considered that at the branch level at least, a position should be created to essentially manage the administrative (including financial) details and problems following the integration of the three unions in a post-merger branch structure.⁸² However, the request failed to generate much discussion within the AJA and subsequently did not inform the wider merger negotiations. In the negotiations, the broad objective had simply been to preserve existing positions rather than seeking to create new ones (page 184).

A third but less important explanation for the financial situation of the MEAA was the legal costs incurred with the *McJannet vs. White* (1994) case. This was the attempt to (unsuccessfully) recover the assets and property of the Queensland branch of the former ATA EA which had chosen to merge the state-registered ATA EA union with the AWU in Queensland. It was estimated that this dispute cost the MEAA about \$120,000.⁸³

It might be expected that one of the more obvious solutions to the financial crisis would be to raise union subscriptions. However, as all three constituent unions had indicated to their respective memberships during the MEAA merger campaign that fees would not increase, this option did not appear feasible. Initially, there appeared to be considerable nervousness by the union's leadership to this prospect. As the financial performance of the

⁸¹ *Weekend Australian*, 23-24 July 1994, p. 10; Interviews with C. Smyth, 8 February 1996; N. Steer, 30 April 1996; M. Sutherland, 26 June 1996.

⁸² Facsimile from M. Sutherland (AJA) to C. Warren (AJA), 25 July 1991.

⁸³ Interview with C. Smyth, 8 February 1996.

union continued to deteriorate, subscriptions or fees were finally increased; they were to rise by between 8 and 10 percent for 1996.⁸⁴ The increase also reinforces the argument that economies of scale had not been achieved in the new union's early years. Other strategies to address the MEAA's financial problems included the appointment of a national financial controller in January 1994 as well as tightening up on major items of expenditure such as travel, postage and affiliation costs. In addition, a number of full-time positions within the organisation were eliminated. By the end of 1995 it appeared that the downward trend had been arrested when total union funds increased slightly. This is confirmed by the situation in 1996, reflecting the positive effect of the increase in subscriptions (see Table 17).

Conclusions

This chapter has examined the post-merger period for the ACIAA (when it was absorbed by the AJA in December 1991) followed by the key events and activities of the MEAA between 1992 and 1996. It showed how the formation of the MEAA in May 1992 did not signal the end of merger activity by the new media and entertainment union. Along with recruitment, merger was an integral part of the organisation's attempt to consolidate its position (and resources) within its industry sectors. In addition, the chapter explored some of the union's administrative arrangements, the process of rationalising elected officer positions, demarcation disputes and breakaway union activity. Finally, it concluded with an analysis of the union's membership and financial patterns. Many of these are related issues: for instance, breakaway activity gave rise to demarcation disputes, the unanticipated and on-going costs of the MEAA merger help explain its behaviour towards incoming groups where unions subsequently joining the MEAA were expected to be financially independent, and a declining asset base constrained the MEAA's ability to implement an integrated national computer system in its early years.

⁸⁴ See MEAA theatrical section news, issue 1, December 1995.

Before mergers are evaluated it should be noted that merger outcomes are seldom apparent at the time of combination due to the existence of transitional or interim arrangements. This has led some to argue that it is "premature to evaluate a merger in terms of cost effectiveness or economies of scale until the transition period has ended" (Chaison, 1996: 16). However, this may be problematic as there is the issue of a time lag; other factors may explain the outcomes the further one moves away from the actual merger date (Willman *et al.*, 1993). Assessing mergers may further prove difficult as it has also been posited that outcomes will be differentially experienced by absorbed and amalgamating unions as well as being affected by the degree of post-merger integration (Chaison, 1996, p. 15). For these reasons, among others, the author elsewhere has urged that a case-by-case approach to the evaluation of union merger activity be adopted (Campling & Michelson, 1997).

While merger was envisaged as releasing economies of scale, particularly in the area of administration, the reality was that the actual costs of merger were high and considerable union resources were expended by the MEAA in the short term. This would also help explain why the level of union services did not increase, as had previously been claimed. Perhaps this is not surprising given that union economies of scale can be affected by a range of factors independent of membership size (Black *et al.*, 1997; Davis, 1996). It was debateable too, whether the formation of the MEAA had increased the bargaining power of the organisation (though it did appear the political lobbying efficacy of the union had benefited). The absence of change to the level of bargaining power wielded by the new union was related to the autonomous structure of the MEAA where, despite a centralised financial structure, each of the constituent sections exercised considerable independence inside the organisation. This outcome was related to an earlier stage in the process where the governing structures of the union had been determined. This helps support the claim made on page 4 that the consequences of merger are not independent of the processes of merger.

Also established during the negotiations which produced the merger agreement, was that the fee structures of the constituent members (AJA, Equity and the ATA EA) were not to rise. The fees established constrained the ability of the union to address its financial difficulties in the short term. It also effectively limited any scope for fee standardisation and institutionalised the governing structures established for the new entertainment union. This theoretically meant that representation of the three main groups would remain relatively unchanged. However, the position of the ATA EA became more marginal in the post-merger period as the AJA and Equity sought to assume control of internal dependencies. The weakness of the ATA EA inside the MEAA was exacerbated by the departure of some of its officers, the secession of two of its branches (NSW and Queensland) and the on-going Hoyts cinema dispute.

Problems in recruiting sufficient numbers of members to offset declining areas of the union's coverage (partly as a result of demarcation disputes) has meant that in its formative years the MEAA membership has not grown. It has, however, tended to remain relatively static. The failure to experience growth in its membership may also be a function of the union's structure. In a centralised union structure, such as that found in the MEAA, individual branches may have less incentive to spend time and resources on recruiting new members when sufficient monies will generally be provided. That is, centralised funding means that all monies collected by the federal office are then disbursed according to overall, as well as branch needs. The recruitment of new members may not provide sufficient reward to branches when there is not necessarily a positive relationship between recruitment activity and the level of branch funding received.

Having discussed the key stages in the trade union merger process (the motivation to merge, the selection of merger partners, merger negotiations, opposition to merger and the post-merger union environment) the final chapter discusses the main findings of the study.

CHAPTER 9: CONCLUSIONS

Introduction

From the late 1980s the Australian labour movement was transformed as a result of widespread union merger activity: between 1987 and 1994 a total of 80 mergers occurred between federal unions (Chaison, 1996, p. 121). Due in large measure to such restructuring efforts, the number of registered trade unions fell from 316 to 157 unions over the same period. By 1996 the number had fallen further to 132 unions (Deery *et al.*, 1997, p. 7.15). The current study was located in the context of this historically unprecedented level of union restructuring and sought to explore both why and how trade union mergers occur. Given the intense interest by the labour movement (most notably the ACTU) in seeing merger as a solution to help arrest membership drift away from trade unions, the study also sought to address an important public policy question: to what extent are the espoused benefits of merger realised?

The questions guiding the research were examined by referring to the formation (by way of merger) and subsequent evolution of one union - the 30,000 member Media, Entertainment and Arts Alliance (MEAA) - over a ten year period. The time frame for the study extended from 1987 to 1996. The MEAA was formed in May 1992 by the amalgamation of the Australian Journalists Association (AJA), Actors Equity of Australia (Equity), and the Australian Theatrical and Amusement Employees Association (ATAEA), and was the culmination of a number of earlier attempts, some successful and some not, to form a media and entertainment industry union. Upon its creation in 1992, the MEAA sought further mergers to consolidate its industry coverage (see Figure 1 on page 6). A series of case studies involving the same group of unions were therefore conducted to address the primary research questions. The study reported on the trade union merger process by adopting a thematic approach; the thesis chapters reflected this organisation.

The study makes the argument that an integration of strategic choice and resource dependence theories can help explain why trade union mergers in the media and entertainment industries have occurred. An integration of resource dependence theory with strategic choice theory explains *why* trade unions make particular strategic decisions. Conversely, strategic choice explains *how* unions acquire resources and manage both internal and external dependencies. Further, the integration of the two perspectives is useful in explaining why some trade unions chose not to merge (such as the Musicians Union of Australia) or to merge with a different union grouping (such as the direction chosen by the ABC Staff Union).

The integrated perspective is seen as an important corrective to theories of union merger which focus on factors either external or internal to unions (see page 21). It is far less common to find explanations which systematically aim to integrate both of these important dimensions. The position adopted here is that both dimensions are needed and helps provide a balance between those who advocate that trade union environments are deterministic, and those who claim that union agency or choice is unfettered. The study therefore argues (see page 3) that merger occurs between unions where actual or perceived changes in the external or internal environment sufficiently threatens critical resources required for organisational survival and viability. Where environmental factors do not pose such a threat there is little likelihood that trade union officers will merge their organisations. This argument is consistent with the strategic choice-resource dependence perspective.

The structure of this chapter is as follows. First, it will present a summary of the empirical work contained in the preceding chapters, while in the following section the analytical framework and research hypotheses are discussed. Here, evidence from the study is injected to illustrate the utility of the new theory. Finally, some policy implications from the study for the future of trade unions in Australia are made.

A Summary of the Research Findings

Establishing the central argument of the thesis began with a discussion of the recent historical context in which trade union restructuring has become fashionable in Australia (Chapter Two). It showed how, since the early 1970s and continuing into the 1980s, there was considerable pressure from various sources - leading trade union officers, Committee of Inquiries, academics, employer groups, and the peak union body (the ACTU) - to reform the prevailing situation of multi-unionism in the workplace. This situation stemmed largely from the conciliation and arbitration system which supported the existence of many of Australia's small, craft-based unions. Multi-unionism, it was claimed, resulted in the unnecessary duplication of union resources and competition for members resulting in inter-union demarcation disputes, among other factors. The pressure for reform reached a crescendo in the late 1980s with steps taken by the ACTU, accompanied by legislative and government financial assistance, to restructure and rationalise the trade union movement.

While the external developments of the late 1980s were important in influencing many trade unions, including those examined in this study, to consider merger, it does not necessarily mean that they were the only trigger which led to merger activity. Some of the unions, most notably Equity, seized upon the changes being made in the industrial relations and trade union environment to achieve its longstanding objective to increase its size and form and entertainment industry union. However, when Equity's objective became consistent with wider ACTU policy from the late 1980s the prospect for it concluding a merger improved.¹

In any event, the study showed that there were a range of both external and internal factors which precipitated merger among the media and

¹ Interestingly, the goal of merger from the late 1980s was not a new one for other Australian unions. Mitchell reports a similar longstanding desire by the Building Workers Industrial Union to form one industry union for building and construction workers (see Mitchell, 1996, p. 14).

entertainment unions (Chapter Four). In particular, many of the sectors represented by the unions were characterised by short term and contingent employment, high levels of casualisation, job insecurity and lengthy periods of unemployment. For some, the difficulties of collective forms of union organisation in media and entertainment were further exacerbated by a tendency towards individualism (Chapter Three). These characteristics contributed to fluctuations in the number of union members, in turn, highlighting the vulnerability of a number of the organisations including the ABC Staff Union, Equity and the ATAEA, to legislation (the *Industrial Relations Amendment Act 1990*) which increased the minimum size of federal unions to 10,000 members.

While membership resources were crucial to the unions, so too were financial resources. Following Willman *et al.*, (1993, p. 199), it is contended that while trade unions do not seek in general to maximise their financial performance, they do require a certain level of financial resources to survive and remain viable organisations. This was the case with the AJA which although had demonstrated a relatively steady number of members from the mid 1980s (see Table 7 on page 112), had been experiencing financial problems. The ATAEA was also experiencing severe financial difficulties and in both unions the leaderships sought to adapt to their situations: the AJA implemented a range of internal economy measures and raised subscriptions, while the ATAEA adopted a centralised funding model to better manage the organisation's resources. Financial resources were also important for the Musicians Union but, in this case, militated against merger. A number of branches within the decentralised Musicians Union already had considerable wealth and assets and saw little need in joining with others' to form a larger entertainment-industry union.

The study showed that the factors which motivated merger activity within the trade unions were driven principally by external forces (for example, reduced government funding of arts and entertainment for the ABC Staff Union, industry restructuring and re-organisation for the AJA and the

Professional Rugby League Players Union, ACTU policies, and legislation aimed to both increase the size of trade unions and ease the merger process). However, this is not to suggest that forces internal to unions were unimportant. Independent of these external precipitating factors, some unions, such as Equity and the Artworkers Union of NSW, sought to increase their industrial and political lobbying power and to achieve economies of scale for their organisations (see Table 9 on page 129). These motivating factors came from within the unions. Together, these examples help to illustrate how both external and internal factors are necessary to explain the trade union merger process.

The selection of merger partners by the media and entertainment trade unions was influenced by a range of factors including the need to seek protection in a larger organisation (for absorbed unions such as the ACIAA, the Artworkers Union of NSW and the Professional Rugby League Players Union), the extension of jurisdictional coverage (for absorbing unions such as the AJA and the MEAA), similar ideological persuasions, and, consistent with the ACTU's restructuring and rationalisation plan, a desire to form an industry-based union (for example, the strong interest by Equity in joining with the ATAFA and the Musicians Union). It was argued that, ultimately, the selection of merger partners was related to the need to acquire important jurisdictional, membership and financial resources (Chapter Five). This was inextricably related to the previous stage in the merger process - the motivation or propensity to merge.

While the trade union merger process was influenced by the prevailing legislative provisions, they did not, however, determine how the various unions would attempt to negotiate their merger agreements. In the case of absorptions (for example, the ACIAA into the AJA and the Professional Rugby League Players', the Soccer Players' and the Artworkers Union of NSW into the MEAA), the smaller of the merging organisations was generally unable to secure many concessions from the larger organisation. This was because of the power differential that existed between the unions.

Where the merger case was an example of an amalgamation (for instance, the joining of the AJA, Equity and the ATA EA followed by the later, albeit unsuccessful, attempt to combine the MEAA and the Musicians Union), the negotiations were both far more problematic and complex (Chapter Six). The negotiations for an amalgamation reflected the struggle of each organisation seeking to carry through their own personnel, rules, structures and cultures into the new union. This suggests that trade unions, where feasible, aim to preserve the status quo in situations of organisational change. However, compromises were generally required from those involved in the process in order to ensure that a merger agreement was reached.

The structure negotiated for the MEAA was designed to preserve the identity and autonomy of incoming unions. The constituent unions, for example, retained their pre-existing boundaries in the highly sectionalised structure of the new union (see Table 11 on page 190). While adopting a centralised model of government and funding, the MEAA allowed the pre-merging unions to retain control over all matters of professional concern such as the AJA's Code of Ethics and Equity's imported artists policy. While sectionalism has been seen as an inducement to unions in merger talks (e.g. Snape & Bamber, 1989; Undy *et al.*, 1981) and confirmed in this study, the MEAA's structure was also about ensuring that incoming unions would not present a financial burden on the organisation (see below).

The study revealed too, that the motivation to combine their unions, the selection of merger partners and the merger negotiations stemmed from the leadership rather than the membership of the respective organisations. For example, the leadership were influential in their opposition to potential merger partners. For example, Equity's opposition to any merger involving the PKIU was categorical, while the leadership of the ABC Staff Union convinced its organisation to seek a merger with a large public sector union grouping. In some instances, senior full-time officers were also important in mobilising membership opposition to the proposed merger (in the case of the Musicians Union) or in overcoming the resistance to merger from certain

disaffected, but isolated, sections within the organisation as was the case within the AJA.

These examples help illustrate the important role played by agency or choice within the trade union merger process. However, this is not to suggest that memberships are unimportant. Membership involvement in the trade union merger process varied according to the type of merger being pursued. The legal requirements for balloting in Australia inevitably reduced the flexibility and autonomy available to negotiators under cases of amalgamation whereas this was less of an issue for absorptions. That is, under an absorption the membership of the larger union were exempt from participating in a ballot over the question of merger should the leadership of that union so decide. Effectively, this meant that memberships of absorbing unions were given little opportunity to express their views on merger proposals which affected them. In contrast, under an amalgamation the memberships of all participating unions were required to vote on the proposed merger. In addition, there were important groups internal to many of the unions - the orchestras within the Musicians Union, the cinema, theatre and film areas within the ATAEA, journalists working in metropolitan daily newspapers in the AJA - which clearly influenced the decision-making processes of the various unions at different stages. This reveals the importance of both intra- and inter-union dynamics in the trade union merger process.

Finally, the study discussed the early years of the newly-merged MEAA (1992-1996). It examined the claims made in relation to the ostensible advantages of forming larger, industry-based unions and found, mostly to the contrary, that few of these were substantiated by the empirical evidence. While there was a perceived increase in the level of political lobbying power as a result of the formation of the MEAA, very few other benefits have been realised in the short term. This also seemed to be the case for the absorbed unions as they were expected to be self-sufficient and not make unnecessary claims on the MEAA's resources. These included the ACIAA (in the AJA),

the Soccer Players Association, the Professional Rugby League Players Union and the Artworkers Union of NSW. The MEAA, while consolidating its organisation with further mergers and active recruitment has, so far, been unsuccessful in expanding the union's membership. The union's finances have also been affected with a substantial (and serious) decline in net assets between 1992 and 1996. This was a result of a number of factors including the actual costs associated with implementing the merger such as the rationalisation of union properties, the duplication of officer positions, and a lack of leadership expertise in managing a larger, more complex organisation.

In addition, the secession of the NSW and Queensland state-registered unions of the ATAEA from the MEAA accompanied by a loss of their assets after a costly but unsuccessful legal battle for ownership of these resources, also contributed to the MEAA's financial problems. The secessions were themselves a function of dissatisfaction with the merger process; for the NSW branch it reflected both disagreement over the industrial direction set for the new media and entertainment union, and the perceived marginalisation of the ATAEA within the MEAA more generally. For the Queensland branch the breakaway was initially prompted by the move to centralised funding within its own organisation and the associated move towards a merger with the AJA and Equity. The branch disagreed with its federal organisation over the selection of merger partners, preferring instead to combine with the right-wing Australian Workers Union.

Supporting the claim made on page 4, later stages in the process were not independent of earlier stages (Chaison, 1986). Following this logic, the consequences of merger for the MEAA were clearly interwoven with the processes of merger. For instance, the extent of merger opposition and the details agreed to during the negotiations, including the governing structures, influenced the early years (1992-1996) of the MEAA's existence. The MEAA's sectional structure and the duplication of officer positions was a function of the negotiations stage; the attempt to address AJA freelance member

concerns in the post-merger environment reflected the opposition from such members during the campaign for merger; and the secession of some ATA EA groups was partly explained by differences over the selection of suitable merger partners.

This summary has shown how the trade union merger process is highly iterative where each of the main stages in the process are closely inter-twined with each other. Having presented the key research findings, the following section re-visits the theory and hypotheses underpinning the study to illuminate both why and how the media and entertainment unions merged.

The Application of the Theory and Research Hypotheses

Strategic choice-resource dependence theory provides an important new theoretical innovation in industrial relations research by providing a framework for explaining why trade unions make particular strategic decisions and how they acquire the means to do so. This theoretical advance stemmed from the need to tackle the unhelpful dichotomy between environmental determinism and agency and choice theories, thereby providing a way to progress the study of union organisations (see Child, 1997). The strategic choice-resource dependence model argues that the making of decisions is not free from external pressures but is the culmination of a tension between the external and internal environment and the agency that is exercised in a given historically specific context. In other words, deliberate and emergent strategic decisions are made through initiatives taken within a given environmental landscape that essentially aim to command control of critical resources. Strategic choice is therefore an integral part of the process of managing organisational resource dependencies which, through choice, can shift over time. Thus, while the political, social and economic nature of a union's environment will act to varying degrees to constrain agency, it may facilitate action and broaden the scope of available strategic choices that permit the restructuring and

management of resources that are vital for the operation and continued survival of the organisation.

This theoretical innovation integrates Child's (1972) strategic choice paradigm with Pfeffer and Salancik's (1978) resource dependence theory. The strategic choice-resource dependence model allowed us to generate a number of hypotheses that were tested using a study of trade union merger activity in the Australian media and entertainment industries. As a strategic choice was operationalised as one which has organisational-wide ramifications (page 26), a union merger was consistent with this adopted definition. The first hypothesis tested in the study stated that the execution of union strategic choice involved the use of upper level, positional power and the allocation of organisational resources to achieve union goals. The importance of union officers and the exercise of agency in trade union merger activity has been recognised by other researchers (e.g. Chaison, 1996; Michelson, 1997).

In the case of the entertainment unions in Australia it was predominantly the leading national and regional officers who were instrumental at all stages during the merger process. They were, after all, involved in formulating their respective unions' positions on merger, negotiating merger, and co-ordinating campaigns among their memberships. To achieve organisational goals the management committees of the respective unions authorised their leading full-time officers to enter into merger discussions and to have union resources made available to them in order to accomplish this objective. In this context, the purchase of a \$2.3m building by Equity was envisaged as facilitating the formation of a larger entertainment industry union. Organisational resources were also expended by the various unions during the campaigning stage of the merger process.

The second hypothesis contended that the media and entertainment unions will respond more to the demands of those constituencies in the internal and external environment that control critical resources. The empirical evidence

supported this hypothesis and revealed the restructuring policy of the Australian Council of Trade Unions (ACTU) was supported by legislative change. While the AJA, Equity and ATA EA all had slightly more members than the statutory minimum of 10,000 members, they nonetheless risked the marginalisation of their organisations if they did not increase their size. The pressure to combine was further exacerbated by the formation of a large rival union with coverage in the public and private broadcasting sectors. The CPSU had since absorbed the ABC Staff Union and the PREIA, among other unions.

For some, such as the AJA's absorption of the ACIAA in late 1991 and the MEAA's absorptions of three small unions between 1993-1994, the mergers represented access to wider jurisdictional coverage and, hence, opportunities for membership growth. The decision of the MUA not to merge with any other union also reflects support for the second hypothesis as there were a number of wealthy regional branches opposed to giving up their independence and autonomy. While there was significant peak union federation and legislative pressures to combine, the union was not able to secure enough support for merger as its most financial branches, which controlled critical organisational resources, did not favour this prospect.

The third hypothesis examined in the study was that the unions will attempt to manage their external dependencies in order to enhance their organisational survival and, if possible, to reduce the constraints on their organisations. The ATA EA faced the prospect of extinction as a result of its poor financial condition, and exacerbated by the longstanding dispute in its historically important cinema area. It was believed that a merger would provide the union with access to more resources. The ACIAA also risked extinction as it was a federal union with substantially less than 10,000 members. There was little prospect of it reaching this threshold figure other than by merging its organisation since there was a low level of receptivity to unionism in the advertising industry. For its part, the AJA was attracted to the idea of merger as it would enable it to maintain a position within the

changing union landscape. Having been unsuccessful in previous attempts to affiliate with the peak union federation, the decision to merge with Equity and ATA EA would enable the AJA to avoid becoming marginalised in the ACTU's industry-union model, thereby securing greater freedom from these external constraints.

The third hypothesis shows not only that the unions merged in order to enhance their survival and viability, but did so in a way that would minimise any new constraints. The sectional structure of the MEAA retained the identity and professional autonomy of those unions that comprised the new organisation. In this way, some independence for the constituent members was preserved. Similarly, the ABC Staff Union was given considerable autonomy in its merger with the ACOA and APSA (see page 138). The evidence, therefore, supports the hypothesis.

The theoretical framework adopted in the study provided a fourth hypothesis to be tested. This proposed that the internal control over resources gives some organisational members more power over the union than other members. This was clearly demonstrated in the case of the AJA where it was able to achieve its strategic objective of merger because its freelance members held less organisational power than other members. This situation allowed the union hierarchy to largely disenfranchise its freelance section in order to secure support for merger from its most important source of revenue - full-time journalists. In addition, the eventual selection of Equity, rather than the FMWU, as a merger partner by the ATA EA was influenced by the important film and theatre sections within the ATA EA (page 155). Finally, control of critical financial and property resources by branches of the MUA opposed to structural change was sufficient to ensure that the union did not merge with any other trade union. However, the powerful orchestral members, who favoured a merger with the MEAA, could not be ignored. Arguably, one reason why the leadership of the Musicians Union even conducted merger negotiations with the MEAA was

because of the pro-merger view of the orchestras. They did, after all, provide the union with a regular income stream.

Finding empirical support for all four hypotheses demonstrates that union merger activity is influenced by the juxtaposition of internal union decision-making processes and the management of important internal and external union resources. In particular, it suggests that union mergers are primarily shaped by resource-based issues, but that action stemming from perceived or actual threats to important union resources, are mediated or channelled through the unions' leadership.

This study has explored the issue of causality for trade union mergers in the Australian entertainment industry. The external and internal changes were jeopardising the traditional resource dependencies of the unions and, in the case of a number of the unions, directly threatened organisational survival and viability. The contribution of the integrated strategic choice-resource dependence perspective is that it stresses the importance of agency, within a potentially constraining or enabling external and internal environment, which is guided by the need to control resources that are critical for a union's operation. This provides the necessary motivation for taking strategic choices.

The approach focuses attention on how and why trade union organisations manage change. The new perspective represents an important step forward in union and organisational theory because it gives *purpose* to the notions of strategy and agency while recognising the constraining and enabling influence of the environment. The tension between these forces are played out in the organisational arena. It has important implications for union and organisational theory because it rejects the notion of paradigm incommensurability and provides a theoretical synthesis of two different theories (see Child, 1997). The empirical analysis in this study demonstrates the utility of the model and its power of explanation in trade union research. Future research in strategic choice-resource dependence theory should apply

this integrated perspective to a variety of organisation types other than trade unions to further explore the scope and application of the model.

Implications of the Study

Union restructuring by way of merger was seen by the ACTU as a strategy to provide unions with more resources and, through economies of scale, offer a wider range of services to members. In turn, these services were believed to both help arrest the decline in current union membership and assist in the recruitment of new members (see ACTU, 1987; ACTU/TDC, 1987). In this way the future for trade unions could be assured. Whether the provision of additional services by unions is sufficient to turn around a pattern of falling membership is debateable. In one large, recently merged Australian union it was found that current members at least, expressed a high level of interest in non-industrial union services (Griffin *et al.*, 1997). However, the study failed to explore whether these services did in fact ensure the retention of the union's existing membership or attract new members.

The evidence from this case study of unions in media and entertainment found that in the short term, economies of scale in union operations and the recruitment of a substantial number of new members following merger, has yet to be realised. This is an important finding since trade union renewal more broadly, is dependent, at least in part, on recruiting members in the lowly-unionised sectors of the economy. These sectors include wholesale and retail trade, cafes and restaurants, property and business services, and cultural and recreational services (see Gahan, 1997, p. 544). Like many areas of the MEAA's coverage, these sectors are characterised by high levels of part-time employment, casualisation, and job insecurity.

While the creation of separate autonomous sections may appeal to many unions which have undergone merger, in practice they could pose problems concerning access to greater financial and organisational resources within a combined union and, hence, the subsequent delivery of economies of scale.

This potential problem echoes the seminal argument of Child and his colleagues who point to the internal tensions faced by unions in managing their representative and administrative systems of rationality (Child *et al.*, 1973). Furthermore, increasing union size through merger activity incorrectly assumes that union administrative costs are unaffected by a range of size independent factors (see Black *et al.*, 1997, p. 138). Some of the factors that can affect union costs include the frequency of meetings, the frequency and size of publications, how geographically concentrated or dispersed the membership are, and the predominant bargaining structures. These may limit any union economies of scale irrespective of union merger activity intended to gain such economies from increased organisational size.

This suggests that claims which herald the benefits of trade union merger may be exaggerated, at least in the short term. Union membership in Australia has continued to decline over the time period in which the study was conducted.² While merger was seen as a solution to the problem of membership decline, some scholars had earlier predicted that the restructuring programme would do little to arrest the erosion of union density (e.g. Dabscheck, 1990). This is because the merger process itself may divert union attention and resources away from efforts to recruit (see Dabscheck, 1995, p. 135; Davis, 1990, p. 110). This explanation probably contains more substance than the conjecture that union mergers have contributed to the membership loss by creating large bureaucratic organisations which have become remote from the rank-and-file membership (Macken, 1997). However, the two explanations may be related.

To date, there has been very little empirical research which attempts to measure the effect of merger on union members. While it is often assumed that increased union size (as a result of merger) leads to negative membership attitudes towards, and involvement in, their unions (see Costa

² At August 1996 there were 2,194,300 union members which represented some 31 percent of the workforce (Australian Bureau of Statistics figures cited in the *Sydney Morning Herald*, 4 February 1997, p. 6).

& Hearn, 1997; Macken, 1997; Yates & Ewer, 1997), the mainly exploratory studies conducted thus far suggest this claim may be overstated. In general, it appears that merger has not had much of an impact one way or the other on either members' commitment to, or satisfaction with, their unions in Sweden (Chaison *et al.*, 1997; Sverke & Sjoberg, 1997) and Australia (Peetz, 1998).³ However, in the last of these cases it was observed that low internal cohesion or intra-union disputation did result in lower levels of unionisation. This could point to a conditional relationship between merger and membership satisfaction and commitment. The way in which the merger process is planned and managed, therefore, may influence membership attitudes in the post-merger environment. For instance, in Sweden, trade unions "have a strong interest in the ways that mergers affect membership participation" (Chaison *et al.*, 1997: 10).

This contains important lessons for the future of Australia's unions. The 1995 Australian Workplace Industrial Relations Survey revealed that union delegates or shop stewards (rather than members) have been ambivalent about the effect of merger on union performance (Morehead *et al.*, 1997, pp. 150-151). That is, they believed that merger has made little, if any, difference to union activities at the workplace. If the results of the current study are anything to go by, it is suggested that many other unions which have undergone restructuring in recent years have also perhaps seriously underestimated the difficulties of the merger process.

These difficulties also extend to inter-union relations. The evidence presented in Chapter Eight revealed that merger does not necessarily eliminate union jurisdictional disputes; in fact, it may create them. The post-merger environment for many unions has involved an attempt by many to re-position themselves by broadening their coverage and therefore catchment areas for recruitment. The environmental turbulence created by

³ The only known studies on the impact of merger on union members are from Sweden and Australia. Research on this issue has yet to be conducted in either the United Kingdom or North America.

union restructuring and rationalisation brought the MEAA into dispute with the AWU and the CPSU, for example. Preserving the new organisational boundaries by resisting other unions' claims for contested jurisdictions continued to consume the MEAA's resources. This may also help explain the perception that union workplace activities have not benefited as a result of merger (Morehead *et al.*, 1997). Union 'distance' from the rank-and-file (Macken, 1997) has undoubtedly been aggravated by the preoccupation of unions with both the internal implementation of merger and the emergence of inter-union disputes arising from the shifting jurisdictional domains.

This brings us to the role of the ACTU in the trade union merger process. Union peak bodies or federations can influence not only individual unions' propensity to merge, but also the selection of merger partners (cf. Waddington, 1995, p. 131). In the case of the ACTU in Australia, the peak union body established an industry-based framework for union restructuring (*Future Strategies*) and then further influenced the choice of merger partners through the three-tier classification system (*principal, significant, and other*) unions. The emergence of inter-union disputes in the current study reveals that the ACTU's blueprints for reform were not unproblematic. The restructuring process has made the operating environment for trade unions in Australia highly uncertain as existing jurisdictions appear to have become negotiable. Furthermore, it is open to debate whether union mergers impact negatively on the role of peak union bodies. Some maintain that widespread union restructuring can threaten the future of peak union bodies or federations because the increased size of individual unions may reduce the benefits of federation affiliation (see Streeck & Visser, 1997, p. 311). Others, however, are less sceptical and believe that larger unions (as a result of merger) are unlikely to supersede peak union bodies since the latter are best placed to represent unions' national and international interests (Chaison, 1996). To date, the role of the ACTU does not appear to have diminished as a result of the widespread merger activity of the late 1980s and early 1990s. One wonders, therefore,

whether a central objective of the ACTU's reform programme was simply to reduce the number of affiliates with which it deals.

Following the period covered by this study new legislation was enacted by a Liberal/National coalition federal government which has demonstrated its hostility to the union movement. Many commentators regard the *Workplace Relations Act 1996* as exacerbating the difficulties already faced by trade unions. While the study has generally been pessimistic about the merger strategy for unions in the short term, there is no greater need than at the present time for the claims, originally made in support of the reform programme, to be fulfilled. Whether this will in fact occur remains unknown; however, if union resources continue to shrink it is posited, consistent with the central argument of the thesis, that trade unions leaders will continue to seek ways to adapt to their environments in order to ensure their organisations' survival and on-going viability.

APPENDIX 1: RESEARCH METHODOLOGY

General Description of Method

The case study research strategy is widely used in the social sciences in general and in industrial relations in particular (Hartley, 1994). A case study approach was regarded as the most appropriate method of data collection for the project because it was principally interested in uncovering the processes involved in union mergers. The importance of this research strategy lies less in its statistical generalisability than in the theoretical and policy insights they provide. That is, case studies do not purport to be representative of the wider population; rather, their major contribution is with the level of understanding provided by an in-depth examination of a particular phenomenon (Berg, 1990; Michelson & Baird, 1995; Yin, 1989). An advantage of case study research, therefore, is its inductive approach to theory development (Walton, 1972).

A case study has been defined as being an empirical enquiry that:

- investigates a contemporary phenomenon within its real-life context; when
- the boundaries between phenomenon and context are not clearly evident; and in which
- multiple sources of evidence are used (Yin, 1989: 23).

Yin's definition suggests that conducting survey-based research would be an inappropriate strategy for the current study since this method typically fails to capture the subtleties and complexities of the views they record. In addition, surveys provide limited understanding of the processes of union merger or of the context in which they occur. The 'case' or unit of analysis in this study referred to an event - the attempt to conclude a merger, irrespective of whether it proved successful or not. In total, there were eight such cases examined, of which five were successfully-concluded and three were not (see Figure 1 on page 6).

In broad terms, case studies may involve the collection of qualitative data (words), quantitative data (numbers), or both (Yin, 1989). While some quantitative data were collected (for example, union financial data and membership statistics), the type of data predominantly gathered in the study was qualitative in its nature. The research also relied upon multiple sources of data collection. This included interviews, documentation and some archival records. The breadth of data sources can both enrich a researcher's interpretation of the data and strengthen the grounding of theory through triangulation of empirical evidence (see Eisenhardt, 1989; Golden, 1992). One of the main points to be made is that the views of the leadership were of primary interest. Following Undy *et al.* (1981, p. 25), the rank-and-file, except where their views were collectively reflected by various groups, were not a major focus in the study. The interviews that were undertaken support this approach (see below).

Selection of Case Study Organisation

The Media, Entertainment and Arts Alliance (MEAA) was selected as the union within which the study would be conducted. There were a number of reasons, both theoretical and pragmatic ones, for this choice. First, the selection of a number of merger cases involving a single trade union would mean that certain organisational and environmental variations among different unions could be controlled for. Second, the merger cases included examples of both 'amalgamations' (the combination of the AJA, Equity and the ATAFA) and 'absorptions' (the AJA and the ACIAA; the MEAA and the Artworkers Union of NSW). This would provide for a more comprehensive analysis of the range of trade union merger behaviour. Third, there were cases of both successful and unsuccessful attempts to merge. These contrasting outcomes would allow for deeper insights into the union merger process. Fourth, the MEAA was confronted by secessions or breakaways of groups of members. This activity was ostensibly related to the merger process and shows the association between different union structural events (see Waddington, 1995). Finally, and for the more pragmatic reason of spending regular periods in the union to collect data,

it was desirable for the chosen union to have its federal office in Sydney. As an organisation, the MEAA satisfied all these conditions.

Entry to the Field

Union mergers are sensitive events and some reluctance to discuss them may hinder research access to outside parties. After having talked with a senior industrial officer employed by the organisation in June 1994, the MEAA was formally approached in September 1994 with the explicit purpose of examining the merger experiences of this trade union in some detail. A meeting with one of the union's joint federal secretaries was subsequently arranged. Formal consent for the study was secured at this meeting. Securing access to the union was facilitated by the investigator's offer to assist the union in re-organising their library. In part, this offer was extended in order to gain permission to do the research, while at the same time ensuring access to relevant material held in the union's library.

Once permission to undertake the study had been granted, the critical 'gatekeeper' (Hartley, 1994, p. 216) within the MEAA was the organisation's part-time research officer. This person, who had previously worked for the AJA, became a particularly useful source of information and was most helpful in locating files. Initially, the investigator spent regular periods of time in the federal organisation doing little else other than collecting data from the holdings in the union's library. The purpose of gathering internal memoranda, minutes of various meetings, union rules, and general correspondence at the early stage of the fieldwork phase was twofold: first, the data would help in constructing the course of events which led to the different mergers and in doing so sharpen the research questions and, second, so that members of the union might become accustomed to the researcher's presence before interviews were conducted.

The following sections provide more detail about the documentary and interview data utilised in the study.

Documentation

Analysis of documents can provide useful information about unions and their environments. They are unobtrusive, they allow for a chronological sequence of the key events to be established, and organisational members do not react to measurement. The relevant documentation, which was located at either the University of Melbourne Archives, the Noel Butlin Archives Centre at the Australian National University in Canberra, or the MEAA's federal office included:

- Minutes
 - federal councils
 - federal executives
 - federal management committees
 - branch committees
 - industrial staff
 - merger committees
- Agendas for merger committee meetings
- Circular memoranda/internal union reports
- Branch annual reports
- Personal correspondence
 - between union officers and solicitors
 - between officers of different unions
 - between officers within the same union
- Federal union publications (e.g. *Equity*, *The Journalist*, *The Alliance*)
- Branch union publications (e.g. *Freelance* - AJA in NSW)
- Union rules
- Publications/statements of support or opposition to mergers
- External correspondence
 - Department of Industrial Relations
 - ACTU (e.g. circulars)
 - Industrial Relations Commission
 - Australian Electoral Commission
- Industrial Relations Commission transcripts of proceedings
- Newspaper clippings (e.g. *Sydney Morning Herald*, *The Australian*)

- Secondary sources (e.g. articles, books, theses, industry publications, discussion documents)

While it is acknowledged that union minutes may fail to provide a comprehensive account of the mood and content of meetings (see Davis, 1987, p. 199), they have nonetheless been retained as a source of data in the present study. There are two reasons for this: first, minutes of meetings can still point to issues of concern, the dynamic operating between those in attendance, and the degree of consensus over certain matters as reflected in the level of support for motions, among other factors. Second, a reliance on multiple sources of evidence provides greater opportunity to substantiate the research findings and ensure that interpretations have been cross-checked against a variety of data sources, where possible.

Interviews

In addition to the range of documents and archival records examined, interview data was also collected. The interviews were semi-structured in that consistent information was primarily sought and gathered across respondents. This provided a means to discern patterns or trends and, as has previously been noted, replications are a most effective means for validating data (Glaser & Strauss, 1967). While the major topics of inquiry were shaped by the interview guide (see below), the use of open-ended questions helped to ensure that further areas of interest were fully explored. All of the interviews, with the exception of two informants where notes were taken, were tape-recorded and later transcribed.

Tape recording of interviews are a common feature of social science investigation (e.g. Kriegler, 1980; Stratton-Devine & Reshef, 1996). Electronic recording equipment was extensively used in the study because it was felt to provide the following advantages: first, it would allow the interview to be captured in its entirety. This would mean that any nuances or subtleties missed if notes were taken, could be collected. Related to the first point, taped interviews

are ostensibly a rich source of data. They may provide detailed understanding of respondents' own viewpoints and interpretations. Finally, in terms of managing competing pressures on union officers' time, taping may help to expedite the interview process.

A small number of exploratory interviews were initially conducted with four Sydney-based union officers, each of whom represented a different organisation. One of these officers had specialist expertise working as a 'merger mediator' and had reportedly been involved, to a lesser or greater degree, in thirteen different merger cases. In the majority of these cases they involved completely different unions. Certain useful aspects about the trade union merger process were drawn from these exploratory interviews.

Following this, a total of 31 interviews were conducted with current or former officers of the MEAA (or its constituent unions) and the Musicians Union of Australia (MUA). These ranged in duration from three-quarters of an hour to nearly two hours, with an average being about one-and-one-quarter hours. The interviews were conducted between June 1994 and July 1997. One issue of some concern was the question of the reliability of the informant's memory. This situation was managed by the use of several respondents from the same union and documentary sources to cross-check or corroborate the information given. The following interviews were conducted by the researcher:

Main Interviews

Eve Anderson, former MEAA joint Victorian secretary, 10 July 1996.
 John Bunton, MEAA Northern NSW secretary, 15 February 1996.
 Gavin Cantlon, former AJA NSW secretary and president, 4 December 1995.
 Claire Clark, MUA Brisbane secretary, 29 January 1997.
 Louise Connor, former MEAA joint Victorian secretary, 15 February 1995.
 Michael Crosby, former Actors Equity federal secretary, 24 October 1995.
 Brian Evans, MUA Sydney secretary, 29 April 1996.
 Marion Jacka, MEAA joint assistant federal secretary, 19 July 1996.
 John Lawrence, former AJA federal president, 28 June 1996.
 Charles Livingstone, MEAA industrial officer, and former ATAFA federal secretary, 10 February 1995.

Andrew Mack, former ATAEA federal president and South Australian secretary, 22 August 1995.

Howard Manley, MEAA Victorian secretary, 15 February 1995.

John McAuliffe, MUA federal secretary, 31 May 1996.

Peter Moscott, MEAA professional sports branch secretary, 21 June 1996.

Kylie Nomchong, MEAA senior industrial officer, 15 June 1994.

Ken Ophel, former ATAEA federal secretary, 16 February 1995.

Allan Paull, former ACIAA federal secretary, 31 October 1995.

Barry Porter, MEAA deputy federal president, and former AJA federal president, 24 October 1995.

Catherine Rogers, former Artworkers Union of NSW secretary, 30 August 1996.

Chris Smyth, MEAA Western Australian secretary, 8 February 1996.

Maurice Stead, MUA Melbourne secretary, 9 July 1996.

Naomi Steer, former MEAA NSW secretary, 30 April 1996.

Matthew Strassberg, former MEAA joint assistant federal secretary, and ATAEA NSW president, 15 November 1996.

Michael Sutherland, MEAA joint assistant federal secretary, 26 June 1996.

Michael Taylor, former ATAEA NSW secretary, 18 November 1996.

Eric Thomson, MEAA joint assistant federal secretary, 6 March 1996.

Toni Warburton, former Artworkers Union of NSW committee member, 26 September 1996.

Milton Ward, MUA Newcastle secretary, 5 September 1996.

Chris Warren, MEAA joint federal secretary, 1 July 1997.

John White, former ACIAA federal president, 9 August 1995.

Peter Woodward, MUA Perth secretary, 6 February 1996.

Other Interviews

Fiona Anderson, Finance Sector Union communications officer, 28 June 1994.

Bruce Grimshaw, Australian Services Union NSW secretary, 4 July 1994.

Adrian Ryan, National Tertiary Education Industry Union, NSW secretary, 13 September 1994.

Louise Tarrant, part-time merger mediator; Australian Liquor, Hospitality and Miscellaneous Workers Union research officer, 26 July 1994.

Interview Guide

1. Date of interview.
2. Name of respondent.
3. Position of respondent.
4. Details of respondent's union background.
5. Salient union characteristics (for example, structure, methods of work, relationship with other entertainment unions)

6. What mergers have occurred since 1987 involving your union or what was later to become part of the present union?
7. Which unions, if any, were you unable to merge with and why?
8. What were the major factors affecting the attempt(s) to merge and why? (respondents were probed about the role of political, legal, and technological factors, industry ownership changes, bargaining structure changes, internal union financial pressures, union political expansion, to secure economies of scale, to improve membership services, to get more power)
9. How did your union decide which other unions to merge with?
10. What characteristics attracted or dissuaded your union to consider merger with these other unions?
11. Which unions, if any, were rejected as unsuitable partners for merger and why?
12. With respect to mergers since 1987: (a) who initiated the merger negotiations and why? (b) what was the initial outcome of the early meetings? (c) what were the 'pivotal' events during the negotiations phase?
13. Outline the union's negotiation strategy (for example, issues and priorities).
14. Outline the union's negotiation procedure (for example, location of meetings, tone or atmosphere of the negotiations, what were the difficult issues to resolve and why? How were these issues resolved?)
15. To what extent did the personality/behaviour of the union leadership affect the merger negotiations? In what ways?
16. To what extent did the merging unions have different political (left/right), organisational and cultural differences?
17. Did the ACTU affect/support the merger process? In what ways?
18. Was there any membership opposition to any of the mergers? If so, who was opposed and why?
19. How did this opposition manifest itself and at what level of the union?
20. What measures and arguments did the union rely on to counter opposition to merger? (for example, 'vote yes' campaigns)
21. Why was the campaign successful or unsuccessful?
22. What were the main administrative difficulties faced by the new union immediately following the merger? Why?

23. What were the main representational problems faced by the new union immediately following the merger? Why?
24. To what extent do the espoused and actual benefits of merger correspond (provide examples)?
25. How different is the 'culture' of the current union compared to that of the unions prior to the merger?
26. Final comments from respondents.

Data Treatment

Initially, the data for each case study was written up in narrative form. This allowed each of the merger cases to be viewed holistically and in its relevant context. The next step involved organising the data around the central topics or themes of the research (for example, merger motivations, the selection of merger partners and the merger negotiations). This meant that important features from each of the case studies could be grouped together. This allowed the researcher to more clearly discern the patterns and trends across cases.

The interview and documentary evidence were subjected to content analysis (see Holsti, 1969). This is a systematic approach to the analysis of data. An application of content analysis for the study included, for example, the inferences drawn about the effects of correspondence on particular recipients by analysing the response of these same recipients. The content analysis further explored the terms used, issues involved, concerns expressed in various documents and interviews, the number and the composition of union negotiating teams at merger meetings, the identity of movers and seconders of motions in minutes of meetings, and whether motions were carried and if so, whether they were unanimous or contained some dissension among participants.

APPENDIX 2: MEAA MERGER AGREEMENT

This deed, made in anticipation of the amalgamation of Actors Equity of Australia, the Australian Journalists Association and the Australian Theatrical and Amusement Employees Association ("the parties") sets out the agreement of the parties in relation to a number of key issues. In the event that the aforementioned "three way" amalgamation does not proceed, and an amalgamation between two of the three mentioned organisations occurs, this Agreement shall be binding to the extent that it is relevant.

1. Affiliations

(a) International

Existing affiliations to International Labour unions will continue. Equity's affiliations to the International Federation of Actors and the AJA's affiliation to the International Journalists Federation, and representation on such organisations, shall be respected and maintained.

Any further international affiliation shall be the responsibility of the relevant sectional committee subject to the budgetary approval of Federal Council.

(b) Political Parties/Other

The parties note that the AJA has historically not been affiliated to the Australian Labor Party or indeed any other political organisation. The parties recognise that it is the widely held view of the journalist community that their professional integrity and in particular their impartiality would be compromised if the organisation representing their professional interests was affiliated to a political party.

Equity and the ATA EA respect the decision of the AJA not to affiliate to the ALP (or any other political party or organisation) and acknowledge that affiliation on behalf of their members can in no way bind or affect members of the AJA.

Decisions to affiliate to a political party or organisation will therefore be made by individual Sections and not by Federal Council. Any decision to affiliate shall however be the subject of budgetary approval by the Federal Council.

Nominees to various committees/conferences of such political parties/organisations will be determined by the relevant section(s).

2. Protection of Professional Sectional Interests

The parties are committed to ensuring that the various craft/professional groupings that will make up the amalgamated union will continue to determine industrial, policy and professional issues which have traditionally been determined by that group.

To that end, Rule 33, entitled 'Protection of Sectional Professional Interests' enshrines the right of individual sections to exclusively determine matters of professional interest, such as in the case of the AJA section, the Code of Ethics.

Upon amalgamation taking effect the following sections shall be created:

<u>From the ATA EA</u>	<u>From Actors Equity</u>	<u>From the AJA</u>
* Film and Television	* Actors	* Book Industry
* Outdoor Staff	* Dancers/Singers	* AJA Section
* Theatre Staff	* Extras/Announcers	* Commercial &
* Cinema Staff	* Variety Artists	Industrial Artists

Sections will be established to ensure representation for all key groups on the supreme policy making body of the union - Federal Council. Further the formation of State and National sectional committees will be encouraged and provided in the Rules.

3. Service to Members

One of the key objectives of amalgamation is to provide an improved service to members in all sections of the Union. While in the short term individual sections of the union may need to be targeted for special attention, the parties agree that no section will suffer a diminution in the quality of service currently enjoyed, as a result of the amalgamation.

4. Benevolent Funds

The status of the Benevolent Funds associated with the three unions will not be affected by the amalgamation. The funds will continue (if they so wish) to operate separately and autonomously.

5. Affirmative Action

(a) Within the Union

The parties are committed to guaranteeing reasonable representation of women at all levels within the union. In an effort to guarantee such representation an affirmative action provision has been inserted in the Rules. However the parties acknowledge that this alone is not sufficient and are committed to actively explore a range of strategies to ensure that the gender mix of the membership is reflected in the policy making structures of the Union.

The amalgamated union will be an equal employment opportunity employer and will not discriminate on the grounds of gender, age, race, ethnicity, sexuality, disability or religion.

(b) Within the Workplace

The parties are committed to pursuing affirmative action policies to ensure that all occupations covered by the union reflect the diversity of Australian society and that discriminatory employment practices are not tolerated.

6. State Unions

In those states where State Registered unions exist the parties are committed to ensuring that such unions amalgamate and mirror the structure and rules of the amalgamated union.

7. Employees and Employed Officials of the Union

(a) No retrenchments or reductions in salary or agreed industrial conditions will occur as a result of the amalgamation. However to accommodate the structure of the new organisation, some restructuring and retraining will be inevitable.

(b) All benefits accrued by employees at the time of the amalgamation will be preserved.

(c) As a matter of priority the amalgamated union shall move towards a common employment contract for all employees. However the parties are mindful of the potential cost of such a strategy and may need to determine an appropriate timetable in light of the union's financial situation for the achievement of this aim.

8. Life Membership/Honorary Members

Members awarded life/honorary membership or any other special membership status shall continue to enjoy the rights and privileges conferred by such award(s) in the amalgamated union.

9. Property and Assets

Upon amalgamation all property and assets shall become the property of the amalgamated union.

The federal management committee shall meet and determine, in consultation with State branches, the most effective utilisation of the Union's property and assets.

Where property is held in the name of trustees, title deeds shall be altered as soon as convenient, subject to the need to avoid any unnecessary payment of stamp duty etc.

10. Honorary Offices

The parties consider that the active involvement of the rank and file members in all levels of the Union is essential to the success of the Union.

While in the immediate post amalgamation period a number of positions will be occupied by full time officers e.g. Federal and nominated State President(s), in the long term, when the current incumbents resign or retire, these positions will be earmarked for honorary officers.

11. Number of Senior Officers

In an effort to accommodate valuable personnel currently employed by the three parties and to ensure representation of the three unions at senior levels within the amalgamated union, a number of positions have been created which will need to be reviewed by Federal Council in the medium/long term. For example, the parties are of the view that in the long term the interests of the union will be best served by creating two or possibly one Assistant Federal Secretary position(s). Similarly, the joint positions of Federal Secretary, Victorian, Queensland and South Australian Secretary will merge to one as soon as possible.

12. Fees and Subscriptions

The parties acknowledge that different fees and different fee structures operate in each of the organisations. Following the amalgamation this will continue. There will be no increase in fees as a result of the amalgamation.

APPENDIX 3: MEAA AND MUA MERGER AGREEMENT

This Deed made in anticipation of the amalgamation of the Media, Entertainment and Arts Alliance and the Musicians Union of Australia ("the Parties") sets out the agreement of the parties in relation to a number of key issues.

1. A New Union

The Media, Entertainment and Arts Alliance and the Musicians Union of Australia have decided to amalgamate to form a single union operating in the media and entertainment industries.

The amalgamated union will be committed to servicing members of the Musicians Union while protecting the autonomy of Musicians Union members.

The amalgamated union will be committed to a co-operative and consultative approach with an attempt to make decisions by consensus.

2. Musicians Division

After amalgamation, the Musicians Union shall form the Musicians Division of the Alliance.

The Musicians Division shall have conduct and control of the business of the Division. It shall have its own branches the same as the existing branches of the MUA. It shall select its own national officers by and from its membership. It shall have a National Executive consisting of its national officers and the secretary of each branch of the Division.

Where branches of the Division so desire, they shall continue to use existing law firms.

The Division shall remain in its present form until the biennial elections of the Alliance to be held in 1997. At that time a process of rationalisation will take place at branch level to maximise efficiencies of scale while maintaining the professional identity of each section.

Following the biennial elections in 1997, the Musicians Division shall continue as the Musicians Section, with a National Sectional Committee and Sectional Committees in each branch. These sections will not suffer diminution of service as a result of the process of rationalisation. These sections shall have the right to exclusively determine matters of professional interest.

This Division will be represented on the supreme policy making body of the union - Federal Council and on Federal Executive and Federal Management Committee.

The federal office of the Musicians Division will be located in Sydney.

The Division will be divided into the following three sections:

- Contemporary
- Classical
- Electronic

Under the rules, representatives of the Musicians Division at branch and federal level must come from the ranks of the Division.

The parties will phase in a centralised funding model.

3. Protection of Professional Sectional Interests

The parties are committed to ensuring that the various craft/professional groupings that make up the amalgamated union will continue to determine industrial policy and professional issues which have traditionally been determined by that group.

To that end, Rule 33, entitled 'Protection of Sectional Professional Interests' enshrines the right of individual sections to exclusively determine matters of professional interest. This shall apply to the Musicians Division which shall constitute the National Sectional Committee of the Musicians sections.

4. Service to Members

One of the key objectives of amalgamation is to provide an improved service to members in all sections of the Alliance. While in the short term individual sections of the union may need to be targeted for special attention, the parties agree that no section will suffer a diminution in the quality of service currently enjoyed, as a result of the amalgamation.

Immediately on amalgamation the Musicians Division officials and members will have access to the following services:

- in-house legal advice
- in-house contract advice
- education and training programme
- the national magazine
- other specialist advice such as superannuation
- legal library and information service
- communication network and membership data base
- the Alliance discount services

Immediately following amalgamation, individual branches will meet to determine ways to maximise service through shared resources.

Over time and subject to finance, the Alliance will examine:

- employment of a specialist music industry lawyer
- specialist recruitment officers in major branches

The parties will monitor the level of service to ensure the provisions of this section are met.

5. Benevolent Funds

The status of the Benevolent Funds associated with the unions amalgamated to form the Alliance and the MUA will not be affected by the amalgamation. The funds will continue (if they so wish) to operate separately and autonomously.

6. Affirmative Action

(a) Within the Union

The parties are committed to guaranteeing reasonable representation of women at all levels within the union. In an effort to guarantee such representation an affirmative action provision has been inserted in the Rules. However, the parties acknowledge that this alone is not sufficient and are committed to actively explore a range of strategies to ensure that the gender mix of the membership is reflected in the policy making structures of the Alliance.

The amalgamated union will be an equal employment opportunity employer and will not discriminate on the grounds of gender, age, race, ethnicity, sexuality, disability or religion.

(b) Within the Workplace

The parties are committed to pursuing affirmative action policies to ensure that all occupations covered by the union reflect the diversity of Australian society and that discriminatory employment practices are not tolerated.

7. Affiliations

(a) International

Existing affiliations to international organisations will continue. The Alliance affiliation to the International Federation of Actors and the International Federation of Journalists and MUA affiliation to the International Federation of Musicians and representation on such organisations, shall be respected and maintained.

Any further international affiliation shall be the responsibility of the relevant sectional committee or committees subject to the budgetary approval of Federal Council.

(b) Political Parties/Other

The parties note that the Alliance is not affiliated to the Australian Labor Party or indeed any other political organisation on behalf of the AJA section. The parties recognise that it is the widely held view of the journalist community that their professional integrity and in particular their impartiality would be compromised if the organisation representing their professional interests was affiliated to a political party.

Decisions to affiliate to a political party or organisation will therefore be made by individual sections - or in the case of the Musicians Division, by that Division - and not by Federal Council. Any decision to affiliate shall be the subject of budgetary approval by the Federal Council.

8. State Unions

In those states where state-registered unions exist the parties are committed to ensuring that such unions amalgamate and mirror the structure and rules of the amalgamated union.

9. Employees and Employed Officials of the Union

(a) No retrenchments or reductions in salary or agreed industrial conditions will occur as a result of the amalgamation. However to accommodate the structure of the new organisation, some restructuring and retraining will be inevitable.

(b) All benefits accrued by employees at the time of the amalgamation will be preserved.

(c) Subject to income from the Musicians Division being adequate to meet existing staffing levels, industrial staff allocations to musicians will be maintained.

10. Life Membership/Honorary Members

The rights of existing honorary life and long service life members of the Musicians Union of Australia will be maintained and rights recognised.

The rights of existing honorary members of the MUA will be maintained until the commencement of the biennial elections to be held in 1997. From that time, honorary members of the MUA will have the same rights as honorary members of the Alliance. Additional honorary members may be appointed in accordance with the existing rules of the Alliance.

11. Property and Assets

Upon amalgamation all property and assets shall become the property of the amalgamated union. The Federal Management Committee shall meet and determine, in consultation with branches, the most effective utilisation of the union's property and assets.

Where property is held in the name of trustees, title deeds shall be altered as soon as convenient, subject to the need to avoid any unnecessary payment of stamp duty, etc.

However, the parties agree that no property or other assets currently held by any branch of the MUA shall be disposed of before the conclusion of the biennial elections in 1997 without the consent of that branch.

Where property and offices are consolidated in any centre, the Musicians Division will be treated on an equal basis with other sections of the Alliance.

In the event of agreement being reached that property be consolidated in Melbourne, the following will be the minimum position in relation to that branch of the Musicians Division:

- (i) That a space be dedicated for a musicians club for the benefit of all members. Where possible, this will be in the building housing the amalgamated organisation. The facilities shall be of a professional night club standard with separate 24 hour access and containing at least the same range of facilities and floor space of the existing night club.
- (ii) That the Musicians Division's space in the new building be of equal status and area to other sections.
- (iii) The Musicians Division shall have equal use of all resources and

facilities.

(iv) That adequate parking space be available on site.

(v) That any new building be central and accessible to members.

In the event of agreement being reached that property be consolidated in Adelaide, the following will be the minimum position in relation to that Branch of the Musicians Division:

(i) That the Musicians Division be afforded office accommodation of equal status and area to other sections.

(ii) That the Musicians Division shall have equal use of all resources and facilities.

(iii) That there be a dedicated function space where a grand piano can be accommodated.

Where after June 30, 1997 consolidation of property in any city becomes necessary, the Alliance shall ensure as far as practicable that the proceeds from property sales in each particular city shall be used to provide accommodation to the satisfaction of the relevant branch based in the city.

After June 30, 1997, the net cash assets of the Musicians Division shall be used to advance the interest and welfare of members of the Musicians Division.

Each of the unions shall meet any of its own liabilities at the time of the amalgamation out of its own assets at the time of the amalgamation.

12. Fees and Subscriptions

The parties acknowledge that different fees and different fee structures operate in each of the organisations. Following the amalgamation this will continue. The practice of each section or Division recommending appropriate fee levels to Federal Council shall continue. The parties note that to date these recommendations have always been accepted by Council.

Following amalgamation no branches or divisions will operate in deficit without the approval of Federal Council.

13. Division Membership

The parties undertake that section membership will be reviewed in accordance with the rules to ensure an appropriate and agreed demarcation between the Musicians Division and the Performers Section. This review will be conducted with a view to ensuring:

- full membership of musicians and performers
- genuine musicians are included in the Musicians Division

In this review, the views of individual members shall be taken into account together with the status quo and the needs of a modern union and modern industry. Prior to the amalgamation taking effect, the parties shall agree on the definition of the Division.

14. Division Representation

The current structure of the Alliance provides for representation at Federal Council and Federal Executive to be determined by income received from membership fees and entrance fees.

To guarantee appropriate representation for a transitional period running to the conclusion of the biennial election in 1997, a proportion of MUA assets in each year will be counted as income to ensure that income will be at such a level as to guarantee appropriate representation at federal level. This means that one-third of net cash assets as at the time of amalgamation will be counted as fee income for the purposes of determining representation in each of the years 1995, 1996 and 1997.

To further guarantee appropriate representation from 1997 until the conclusion of the biennial elections in 2001, one-third of the value of the net cash assets as at December 31, 1997 will be counted as fee income each year for the purposes solely of determining representation under the Rules.

15. Officials

The parties have agreed to extend the terms of honorary officials of the Musicians Division to 1995 and of full-time officials to 1997.

An additional position of assistant branch secretary of the MEAA will be created in MEAA branches to accommodate existing branch secretaries of the MUA who wish to hold office after the 1997 elections, and an additional position of assistant federal secretary of MEAA will be created to accommodate the existing federal secretary of the MUA to continue after the 1997 elections.

At the time of the 1997 election, in addition to the positions which will be available to the Musicians section pursuant to the Rules of MEAA, the following positions will be created and will be filled by and from the Musicians section:

Branch vice president in each branch
Deputy federal president

Federal vice president**16. Rule Changes**

Changes to existing Alliance rules to give effect to this agreement are attached.

Anne Britton

Joint federal secretary
MEAA

Christopher Warren

Joint federal secretary
MEAA

John McAuliffe

federal secretary
MUA

APPENDIX 4: CHRONOLOGY OF KEY EVENTS

April 1985	Committee of Review into Australian Industrial Law and Systems (the Hancock Report) is published.
Aug 1986	Australian Bureau of Statistics data reveals that union membership density is declining. It currently stands at 46 percent of the workforce.
Aug/Sept 1986	Joint ACTU/TDC mission to Western Europe.
Nov 1986	Victorian delegates raise the issue of merger at the AJA's biennial federal council meeting.
July 1987	Actors Equity approaches the AJA with a view to concluding a merger.
Sept 1987	<i>Future Strategies for the Trade Union Movement</i> report is accepted by the 1987 ACTU Congress.
Sept 1987	The AJA and Equity approach the ABC Staff Union with a view to concluding a merger.
Nov 1987	The PKIU approaches the AJA with a view to concluding a merger.
Feb 1988	The ABC Staff Union decide to attempt to merge with the ACOA and APSA.
Oct 1988	The Hoyts cinema dispute begins.
March 1989	The <i>Industrial Relations Act 1988</i> comes into effect. Minimum union size for federal registration increased from 100 to 1,000 members.
Sept 1989	The federal Labor government announces a programme of financial assistance to promote industry-based union mergers.
Sept 1989	Actors Equity move into new premises costing \$2.3m in Redfern, Sydney. The building purchase is designed to accommodate an enlarged (by way of merger) union.
Aug 1990	The AJA begins its merger campaign among its membership.

Sept 1990	The ACIAA decides to attempt to merge with the AJA.
Oct 1990	The ACTU Executive devise the concepts of <i>principal, significant</i> and <i>other</i> unions to rationalise union workplace coverage.
Jan 1991	Ken Ophel resigns as ATAEA federal secretary.
Feb 1991	The <i>Industrial Relations Amendment Act 1990</i> comes into effect. Minimum union size for federal registration increased from 1,000 to 10,000 members.
April 1991	The AJA federal council endorses a policy of forming a media and entertainment union. The Northern NSW branch abstains from voting.
Sept 1991	Michael Crosby takes up the position of general secretary of the International Federation of Actors (London).
Oct 1991	The ATAEA shifts from a decentralised, branch-based funding model to a centralised funding system.
Dec 1991	The ACIAA is absorbed by the AJA.
Dec 1991	The name 'Media, Entertainment and Arts Alliance' (MEAA) is finally agreed for the proposed union.
Dec 1991	The ATAEA launches disciplinary proceedings against its Queensland branch.
May 1992	The MEAA is registered as a federal organisation following a ballot of the memberships of the AJA, Equity and the ATAEA.
June 1992	The MEAA federal executive convenes to establish industrial priorities for the new union.
Nov 1992	The International Labour Organisation rules that legislation increasing the minimum size of federal trade unions to 10,000 members breaches international conventions relating to freedom of association and the right to organise.
Dec 1992	Merger negotiations between the MEAA and the Musicians Union commence.
March 1993	The Artworkers Union of NSW decides to attempt to merge with the MEAA.

May 1993	First set of officer elections within the MEAA are held.
June 1993	The Professional Rugby League Players Union is absorbed by the MEAA.
Feb 1994	The Artworkers Union of NSW is absorbed by the MEAA.
March 1994	The <i>Industrial Relations Reform Act 1993</i> comes into effect. This reduces the minimum number of members required for federal union registration to 100.
April 1994	The MEAA and the Musicians Union seek to involve ACTU president, Martin Ferguson, in helping to resolve the impasse in their negotiations.
May 1995	A national membership ballot of the Musicians Union votes against merging with the MEAA.
June 1995	Symphony orchestra members within the Australian Broadcasting Corporation announce plans to defect to the MEAA. The MEAA subsequently applies for coverage.
Nov 1995	The High Court determines that the secession of the ATAEA state-registered union in Queensland from the MEAA is valid.
Aug 1996	Australian Bureau of Statistics data reveals that union membership density is 31 percent of the workforce.

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