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WorkChoices: Ruling Class Mobilisation in Contemporary Australia

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Abstract

This paper is an examination of elite forces in Australia and the processes by which they exercise influence over public policy. Gramscian notions of hegemony will be employed as a theoretical lens to view contemporary episodes in capital history. Specifically, the paper will argue that an Australian ruling class has created a social environment in which its aims become those of the state. Essentially, using a Gramscian framework, this paper will explore ruling class hegemony in the realm of federal government policy. A general discussion of the historical rise of neoliberalism in Australia is followed by an analysis of the basis of ruling class power. The aim here is to establish a link between neoliberal economic reforms and ruling class power. In essence, the rise of neoliberalism has accommodated ruling class hegemony.

In accordance with RW Connell’s idea of ‘ruling class mobilisation’, the paper argues that recent changes in industrial relations can be perceived as examples of contemporary ruling class mobilisation. The Workchoices reforms legislated by the Howard coalition government are portrayed as one manifestation of ruling class hegemony.

Moreover, the Business Council of Australia will be examined in relation to the controversial WorkChoices legislation. The paper argues that the Business Council is an accurate indicator of ruling class motives due to its exclusive membership. Self admittedly, the Business Council represents the wealthiest companies in Australia. Therefore, the paper argues that the policy agenda of the Business Council is indicative of ruling class objectives. In this context, the paper essentially argues that an elite economic class indirectly rules politically.

Introduction

Employing Gramscian notions of hegemony as a theoretical lens, this paper argues that an Australian ruling class not only exists, but is able, through the neoliberal socio-political environment, to indirectly rule politically.

The rise of neo-liberalism has created a fundamental shift in the nature of global capitalist economies. The first section of the paper will address the rise of neoliberalism in Australia and its link to the power-base of the ruling class. The second half of the paper will examine the role of the Business Council of Australia board members as an expression of ruling class domination with particular reference to specific board members. The paper attempts to identify the processes or relations of ruling class domination which are a reflection of the nature of contemporary Australia.

Damien Cahill examines neoliberal hegemony in Australia through the theoretical lens of the Gramscian notion of hegemony. Cahill’s examination is informed by the questions Gramsci
raised about Italian capitalism during the rise of Fascism.1 Gramsci asked, what are the specific alliances of class forces that cohere around a particular state project? With neoliberalism as the state project, this paper will examine why the ruling class and the state cohere to create a hegemonic situation. Denoting the Business Council of Australia as the ruling class and the Howard coalition as the state, this paper will identify a contemporary hegemonic situation in which the BCA was able to implement ruling class goals through the state.

Neo-liberalism, neo-classical economics, market rationalism and market theory are all terms used to describe similar notions. However, it is crucial to note the distinctions in meaning and context between each title. Furthermore, a very clear distinction must be made between the theoretical definitions of these terms and the historical realities that these terms have come to represent. As Damien Cahill notes, ‘Like all grand political programs, neoliberal theory does not correspond neatly to its material manifestation in the realm of policy.’2

In Ruling Class Ruling Culture, R.W. Connell notes that ‘Hegemony as a situation, a moment in history in which control is effectively exercised, can thus be distinguished from the mechanisms of control that operate it.’3 Australian society under the Howard government is an example of a hegemonic situation. The first half of this paper is concerned with establishing a base for ruling class power and thus, demonstrating the nature of the hegemonic situation. The second half of the paper, concerned with the mobilisation of ruling class power delves into the mechanisms of control which operate the hegemonic situation.

While the sociological concepts “ruling class” or “power elite” may be dismissed as ideological, it is fair to state that within Australia exists a group of people whose shared economic status enables them to indirectly influence public policy. It seems hardly conspiratorial that large economic players would knowingly attempt to influence the state in areas of policy directly related to their interests. However, what are the ramifications of such behavior? When the business community decides it needs to minimize labor costs in order to maximize profits, what are the implications for the workforce? How does this impact the lives of those dependent upon waged labor? Economic largesse may or should not entail political privilege. Despite this, there is a minority who dominate the lives of others through their economic decisions.

A pioneer of elite research C. Wright Mills stated that he did not like to use the Marxist term “ruling class” because the phrase was ‘badly loaded’.4 Mills stressed that the word “Class” was an economic term, whilst the word “Rule” was a political concept. In Mills estimation using the term “ruling class” implies that an economic class rules politically.5 Mills wrote about elites in American society during the Cold War. He disavowed the Marxist argument that the focus of social research should begin with class antagonism. Mills never accepted the view that ‘high economic men unilaterally make all decisions of national consequence.’6 Essentially, the roles of an independent state and armed forces were key components of the

2 Ibid, p.222.
5 Ibid, p.277.
framework Mills established in The Power Elite. The contemporary Australian context however, affords some advantage in adopting the Marxist terminology. It would be difficult to argue that any economic class directly exercises political domination. However, there is evidence to suggest that powerful agents, representing an elite economic class, exercise indirect coercion over the direction of public policy. In this sense, an economic class, indirectly, rules politically.

The loaded term “ruling class” is an appropriate one for an examination of contemporary Australia. In the current climate of neoliberalism and the public policy which stems from such thinking, a dominant economic class is well placed to dominate politically. A group of Australian sociologists; namely R.W. Connell, Michael Pusey, Damien Cahill, Frank Stilwell and Dennis Woodward, have expounded the general argument that from about the 1970s onwards, Australian capitalism has entered a new phase of development. This new phase is marked by dominant neoliberal ideology and the dismantling of the Keynesian welfare state.

Sol Encel provides a succinct summary of the brand of capitalism which existed in Australia prior to the rise of neo-liberal ideology:

Leaving the rural sector aside, the Australian economy might be accurately described as a system of monopoly capitalism, operating through a highly regulated structure of output, prices and wages, which is interlocked with and maintained by an extensive system of government activity.7

Encel’s portrait of Australian capitalism during the period of evolving state welfare is one in which the state plays a dominant role. In such an environment, Mills’ claims, state independence from ruling class hegemony, have some credence. However, a fundamental shift in the capitalist formation has occurred since Encel’s study. According to Connell, since the amalgamation of the European markets in the 1960s, a quantitative shift in mobile capital has allowed a qualitative shift in hegemony from industrial capital to finance capital. Neo-liberalism has been the ideological conveyor of this systemic shift.8 Moreover, Connell argues that the aforementioned shift has made the model of Australian capitalism advanced by Encel obsolete.9 Two significant facts are posed. Firstly, there is a marked difference between the forms of capitalism which existed in Australia before and after 1970. Secondly, whatever the change, neo-liberal ideology has been the intellectual catalyst to systemic transformation.

In an article titled Econo-rot, Pusey notes that the economic reforms which have been espoused since the 1980s were instigated by the Right in response to declining corporate profit margins.10 The ‘British disease’, or stagflation, was an economic anomaly which occurred during the 1970s and 1980s. Stagflation, by definition, occurs when an economy experiences decline in Gross Domestic Product (GDP), otherwise known as recession or stagnation, and simultaneously experiences rising inflation rates.11 A Brookings Institute

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study in 1974 declared that U.S. corporations, since 1948 had registered a fall in after tax profits from 8% to 5%.12 These figures indicated that during a long and strong post-war boom period, whilst capitalist economies grew, the corporate sector registered a decrease in profit. These findings prompted Right wing governments in both the U.S. and U.K. to instigate economic change. Neo-liberalism was popularized in the UK by PM Margaret Thatcher, of the Conservative Party, and in the US by Republican President Ronald Reagan.13 This fact should not be forgotten. Neoliberalism was initiated as a means to correct the income disparity which had plagued large corporations in the post-war period of growth. In essence, neoliberal ideology was originally implemented by the Right on behalf of corporate business. This suggestion is a central theme of this paper.

Neoliberalism is arguably an ideology of the political Right. Thus, it makes sense to assume that conservative parties would have first instigated neoliberal agendas. Right wing governments in the UK and USA did lead the charge toward neoliberal reforms.14 However, in Australia it was the Australian Labor Party which began the neoliberal agenda in earnest.

Federal Treasurer, Paul Keating in 1986 proclaimed, that without economic reform, Australia would become a ‘banana republic’.15 Since Keating’s initial calls for greater economic reform, Australia has been set on a course which promotes privatisation and deregulation as sound public policy. Neoliberal thinking has penetrated Australia through both the ALP and the Liberal coalition. In Engagement: Australia Faces the Asia-Pacific, Keating allows this insight to the direction of the ALP’s economic policy from the early 1980s:

From 1983 onwards, the Labor Government began the painful but necessary task of opening up the Australian economy. We let the Australian dollar find its true competitive level by floating it. We removed exchange controls, freed the domestic financial sector and opened up the financial sector to international competition; we deregulated our aviation and telecommunications industries, established a more efficient national competition policy, privatised the Commonwealth Bank and Qantas and embarked on the huge task of breaking down the tariff wall.16

Keating’s comments demonstrate that the ALP subscribed to neoliberalism in the context of a global initiative from the Right. Prime Minister Bob Hawke in 1991, in a speech to the House of Representatives, had the following to say about the direction in which his administration had steered the economy:

This is what this statement is really about today. It is not about short term palliatives, but longer term structural change to make us a more competitive nation. That was why my government set out, eight years ago, to achieve – through fundamental reform of long established economic institutions and of deeply entrenched attitudes.17

Hawke argued for dismantling the welfare state in Australia because of the need to become more competitive on the global economic stage. This sentiment has become an unquestioned truism of the neoliberal era.

12 Op Cit, Craven, p.133.
14 Ibid, p.38.
15 Op Cit, Craven, p.132.
The shift in capitalism, from Keynesian welfare state to Hayek and Friedman neoliberalism, has not paid attention to party affiliations. Both Labor and Liberal coalitions have imposed policies which coincide with, or contain, neoliberal motives. Evidently, it was the Whitlam government which initiated the stripping of tariff protection for Australian manufacturers in 1975. Nevertheless, the Whitlam government also represented the last vestiges of a social democratic ethos in federal parliament. As Stuart Macintyre has commented, ‘The Whitlam government of 1972-75 thus represented the high tidemark of public welfare.’ In Australia, neoliberalism would enter, and become a driving force, in Labor governments’ policy agenda. In contrast, the Menzies government might represent the end of the old ruling class order. A ruling class, which advocated an ethos of public service within the capitalist class, ceased to exist after the Whitlam government’s dismissal. The new capitalists are self serving promoters of an economic theory which advocates the demise of the welfare state and entails an increase in income disparity.

The outcomes of the rise of neo-liberal ideology are easy to identify. Over two decades of economic reforms have ensued since the proclamation that Australia was falling behind. A more difficult task is identifying where it all started. Pusey argues that the shift in policy direction can be traced to the federal bureaucracy. The Australian public service is a comparatively new institution, with an identity that was constructed by socially minded, administratively efficient individuals who served either political party with enthusiasm and wisdom. The old generation, who came from modest social backgrounds and had historical memories of the Great Depression, economic crisis and war service were more attuned, and sympathetic, to the needs of the people and the rationale for the welfare state. For these reasons, there was a belief that the next generation of economists would bring similar intellectual skill and management expertise to the public service. This was not the case. As Pusey aptly notes, ‘…the easy assumption of continuity…misses the change in the character of modern economics that now so sharply distinguishes one generation from another.’ The new generation, who were taught the values of neo-classical economics which swept the universities from 1947 onwards, acquired ‘a trained incapacity to learn from all later experience.’ Pusey argues that those within the executive are trained in a discipline which embraced an ideological conformity bereft of pragmatism.

The ramifications of this situation significantly impact the direction of contemporary public policy. Business people and public servants alike, subscribe to neoclassical economic theory because it enjoys a veritable monopoly within Economics faculties across the nation and the globe. In 1987, H.G. Butlin produced a study which explained the transformation in the economics curriculum. The new curriculum emerged in 1947 and, as Butlin states:

24 *Op Cit*, Argyrous, p.228.
After that date, economics became much more technical and specialised – one might say, summarily, Americanised… In this new and tougher guise, some 50,000 graduates emerged between 1947 and 1986.27

The curriculum described by Butlin was in stark contrast to that which existed in Australian Universities before the late 1940s. Hugh Stretton believed that those who studied at university before World War II were offered a liberal education. Students in the social sciences learnt more than economic technicalities. 28 Stretton states:

If they studied the social sciences, those sciences were typically presented as means to improve the world. Improving the world required equal attention to ends and means, and the ends as well as the means of social reform got generous attention in the curriculum.29

It is the students of this economic doctrine who were at the helm of Australian society during the post-war period. This period of Australian economic history was marked by the adoption of a Keynesian approach to managing the macro economy and sustained growth. The Great Depression prompted governments to abandon laissez-faire approaches to the economy and adopt state-centric Keynesian models.30 These decades of growth, from the end of the war until the early 1970s, are typically referred to as the period of the “welfare state”. To assert that the type of education received in early adolescence has a significant impact upon a person’s later professional outlook in relation to public policy is contentious. Nevertheless, Pusey’s empirical examinations of the public service’s senior personnel largely endorse his conclusion. Pusey states that university education is a:

> decisive and an even more powerful predicator of orientations to policy and management than such other variables as age, socio-economic status, schooling, years of service in the Public Service, seniority in the SES, and perhaps even gender, to name a few.31

Following Pusey, those who helped lead Australia to decades of economic growth in the post-war era applied the pragmatic and multi-discipline views taught to them in University. Keynesian economists were behind the construction of the welfare state. Another generation who were taught neo-classical economic theory would lead the nation during the triumph of neoliberalism after the 1970s. The acceptance of a dominant economic theory entails broad connotations for society as a whole.

The extensive reach of neoliberalism, through the teaching of neo-classical economics, has established an ideological dynamic for class mobilisation and elite unity to a lesser degree. Essentially, those with an educational background in business or economics, which is a pre-requisite for most corporate managers, executives and bureaucrats, can generally share common perceptions of society. Based on Pusey’s findings, there is an established basis for consensus between the business elite and the public service. Some preliminary arguments can be put forward. Firstly, the pervasiveness of neo-classical economic theory provides a forum for consensus between corporate business and the state. In this context, the term “state” is used to refer to the crucial role played by the public service in the creation of policy. Thus,

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27 Op Cit, Argyrous, p.228.
28 Ibid, p.228.
30 Op Cit, Woodward, p.35.
31 Op Cit, Argyrous, p.229.
the forum for consensus is not between business and the actual state. Rather it is between
business and a group which directly influences state policy. Secondly, in light of the previous
claim, the existence of pervasive ideological consensus means that supposedly independent,
and indeed competing, sections of society inadvertently strive for common goals. The
Business Council of Australia’s members do not necessarily have to meet with top
bureaucrats and invent insidious plans for social domination. To greatly oversimplify, by
virtue of shared economic beliefs, both are batting for the same team.

Pusey’s conclusions highlight one mechanism of control which operates the
hegemonic situation. The standardisation of economic theory in the tertiary arena is an effective method
of ensuring ideological unity within society. Moreover, the neoliberal push for privatisation
has meant that tertiary education has become more exclusive. Essentially, less people attend
university and those that do are taught in accordance with the dominant ideology of
neoliberalism. The effects of these measures are the growth of ideological class divisions. By
virtue of their education people are fooled into believing they belong to a fictitious upper-
middle class. Resentment of the ruling class is curbed by inspiring false aspirations of social
mobility. Thus, the hegemonic situation is maintained through education.

The previous arguments are one way to account for the cohesion between the ruling class and
the state. There are other arguments which explain this synergy. Empirical studies show that
there is a great deal of movement of personnel from the public service to the private sector.
As Tom O’Lincoln observed:

In the early 1990s the chief economists employed by both the Master Builders and the rival
Housing Industry Association were former public servants. The four partners of Access
Economics were all ex-Treasury, as were the chief economists of Citibank, Merrill Lynch,
BT Australia and the NAB. Or to take up two examples from the State level, Sir Leo
Hielsher, Queensland Under-Treasurer under Joh Bjelke-Petersen, re appeared more recently
as a director of Crusader Oil and Australian Provincial Newspapers, as well as chairman of
Southern Cross Airlines and Gladstone Special Steel Corporation. Sir Sydney Schubert, head
of Petersen’s Premier’s Department, later became chief executive of Daikyo Australia and
Chancellor of Bond University.32

O’Lincoln forwards the claim that since these former public servants ‘know the ropes’ they
are in a privileged position to lobby the government on behalf of the private interests they
represent.33 Moreover, it must be noted that the companies named above are not small
entities. Within this list are multinationals, major finance houses and corporate firms which
dominate their specific industry. Furthermore, not only are top public servants being ushered
into the private sector, they are moving into influential positions within powerful firms.

Since the adoption of neo-liberal policies, Australian governments have privatised a
significant amount of the public sector. The Howard coalition government has sold the
national transmission network for the ABC and SBS, airports in all capitals, the national
shipping line, Australian Defence Industries and the Housing Loans Insurance Corporation.34
As more of the public sector becomes integrated into the private sector, a generic
organisational model is adopted. This is best demonstrated by the changing nature of
government agencies. It has been observed that the leading government bureaucrats today

33 Ibid, p.12.
34 Op Cit, Woodward, p.123.
‘increasingly look and work like CEOs from large private sector corporations’. The once clear distinction between the public and private sector is now blurred. Corporate structure and management principles have become standardised across society. Another link between corporate business and the state is the government’s advisory committees in the drafting of legislation. It is no secret that influential private firms work closely with the executive to help shape public policy. In the context of ‘creeping privatisation,…relentless downsising and workplace reorganisations’, the public sector is demoralised and unequipped to function effectively on its own. Moreover, the private sector provides higher incentives for ambitious young and talented professionals. Therefore, in addition to downsising and reorganisation, the public sector does not attract the best and brightest. Despite this, policy still needs to be drafted and researched.

In the absence of a competent and sufficiently equipped public sector, private firms must fill the void. On the one hand, private firms advising the executive seems beneficial to the state. The argument could be made that private firms with specialised, industry specific knowledge are best placed to advise policy makers. This is a valid contention. However, in an ideological epoch where profit maximisation is paramount and the market is sacrosanct, problems arise with this claim. As Connell states, there is a ‘cloud of “consultants” around governments, including big firms such as Andersen, KPMG and their ilk, who have made a killing out of advising governments to undertake the privatisations then “managing” the privatisation process.’ Thus, the private sector’s ability to provide specialist advice to policy makers is corrupted by their unmitigated, and more importantly unquestioned, penchant for market expansion and profit maximisation.

The current practices in which major private companies directly influence the direction of policy through their advice, is a product of a wider structural process. This process accords with the tenets of a dominant neoliberal ideology. The neoliberal charge to dismantle the public sector has facilitated an environment where the steering of public policy by the private sector is not only normal, it is necessary.

In Ruling Class, Ruling Culture, Connell points to the concept of mobilisation as one of the keys to understanding the ruling class in Australia.

Parker may be wrong in claiming that in Australia power ‘plays an unusually restrained role’, but at least he is talking about power and not simply a possible base for it. To move from one to the other it is necessary to work with a concept of mobilisation, one of the keys to a historical understanding of the ruling class.

Connell insists that mobilisation is necessary in any discussion of power, and its possible base.

This essay has suggested the existence of a possible base of power for the ruling class. It was first argued that the term “ruling class” is valid in the contemporary Australian context. The ruling class in Australia was defined in contrast to Mills’ contention that an economic class

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35 Op Cit, Kuhn, p.12.
37 Op Cit, Hollier, p.6.
38 Op Cit, Connell, p.48.
could not rule politically. An economic class does rule politically in Australia, albeit indirectly.

The nature of this indirect rule takes various forms. So far, four major links have been identified. First, the rise of neoclassical economic theory within the universities created a consensus of thought between business and bureaucratic elites. Secondly, there is a demand for ex-senior public servants in the private sector because their personal networks and specialist knowledge allows them a considerable advantage in terms of lobbying governments. Thirdly, the neo-liberal drive to privatise has permitted the standardisation of corporate structure and management principles. Lastly, decreased state expenditure has created a public service which is demoralised, lacking talent and insufficiently equipped to make competent public policy. To address its inadequacies, private firms are hired to provide advice which is self serving, rather than in the best interests of the nation.

Hitherto has been concerned with establishing a base for power. The remaining discussion will focus upon the use of this power. Moreover, indications of class mobilisation and the reasons behind it will be discussed with particular reference to the Business Council of Australia and the WorkChoices Amendments.

The Business Council of Australia is a unique and powerful organisation. Established in 1983, the BCA is a conglomerate of Chief Executives from Australia’s 100 leading corporations. The BCA became ‘a forum for Australian business leadership to contribute directly to public policy debates’.39 Essentially, the BCA is a group which lobbies the state on behalf of elite business interests. This conglomeration is at the commanding heights of capitalism.

The BCA exercises economic power and a close relationship with the state to achieve its ends. Pusey explains:

In the 1980s, those with an ear to the ground in Canberra already knew that, with senior Treasury and central agency officials, the secretariat of the BCA was writing national budgets sometimes almost line by line.40

In the context of the corporate power base, this scenario is possible, if not normal. During a tax summit in the Hawke era, the BCA withdrew support for all policies until the proposed ‘fringe benefits’ tax was removed.41 Supported by the ACTU this tax was passed, although the summit was rendered useless without the support of the BCA. In 1997, the BCA attacked Prime Minister Howard for continuing an ALP initiative which supported the pharmaceutical industry. Howard later addressed an industry conference promising to ‘strategically intervene in industry to offset distortions and remove impediments to expansion’.42 The microeconomic reforms instigated by the ALP in the 1990s, following recommendations of the ‘Hilmer Report’, were attributed to BCA lobbying.43 In 1996, the BCA secured tariff reductions from the Howard government, despite the opposition of major manufacturing interests. Evidently, governments of either persuasion listen when the BCA voices its wishes.

40 Op Cit, Pusey, The Experience of Middle Australia, p.11.
42 Ibid, p.103.
43 Ibid, p.133.
The most recent and momentous manifestation of the BCA’s mobilisation of class power is the implementation of the WorkChoices amendments. On 15 February, 2005, the BCA released a document entitled *BCA’s Workplace Relations Action Plan for Future Prosperity.*44 This document outlined reforms in industrial relations the BCA saw as essential for future prosperity. Three main objectives were stipulated in this document. Firstly, there was to be greater flexibility in agreement making. Secondly, the BCA wanted to reduce barriers to job creation and workforce participation. Lastly, there was an emphasis upon increasing the efficiency of workplace regulation.45 Coincidentally, on May 26, John Howard and Kevin Andrews unveiled the governments Workplace relations legislation.46 These reforms unveiled by the Prime Minister and the Minister for Employment and Workplace Relations became law during the Melbourne Cup carnival in November. By coincidence or design, the BCA document released in February, bears a striking resemblance to the WorkChoices Bill introduced to Parliament in November.

A close examination of the 1396 paged-amended Workplace Relations Act (1996) links points of law to the BCA’s proposed changes to the nature of industrial relations. Both the BCA document and the WorkChoices legislation betray a legislative resemblance which is uncanny, especially in detail. It is essential to state that the contentious issues, such as Australian Workplace Agreements (AWAs), the criminalisation of industrial action and the denial of trade unionism were publicly stated goals of the BCA before WorkChoices.

As in other policy issues vital to its interests, the BCA played a major role in guiding if not constructing the Howard governments’ new industrial legislation. This however is not the crucial issue. There are two elements to this observation which are of specific interest. Firstly, the supposition that elite business interests can exercise power, albeit indirect, over the legislature is not a secret. The information needed to arrive at these conclusions is openly available. Contemporary society is so subordinate to neoliberal ideology that such disturbing suppositions are not questioned, but merely accepted. Secondly, an examination of class motives for this particular mobilisation is paramount. To heed Connell’s dictum, it is not possible to discuss the nature of ruling class power without analyzing mobilization.

Whilst a thorough examination of the Board and Secretariat may offer an insight into the nature of the Business Council’s power, such a task is beyond the scope of the current debate. Instead, this paper offers brief biographical sketches of some members of the BCA board with reference to ideas raised by those concerned with corporate power.

Michael Chaney, the current President of the BCA is the son of former Liberal Party minister Fred Chaney. Fred Chaney was the Minister for Social Security and Aboriginal Affairs in the Fraser government.47 It is interesting to note the difference, in this instance, between father and son. Michael Chaney is the Chairman of the National Australia Bank and Chancellor of the University of Western Australia. His executive career includes companies such as BHP Billiton, Wesfarmers, Bunnings, Woodside Petroleum and Gresham Partners Holdings. Chaney is at the pinnacle of the corporate ladder in Australia, as his appointment to President of the BCA in 2005 indicates. Is it coincidence that Chaney chose to pursue a business career rather than a political one like his father? Connell claims that the leading ranks of capital, the

most brilliant and talented bourgeoisie, no longer seek careers within the public service because neoliberalism has made the private sector more rewarding and profitable.48 John Chaney, the eldest of Fred Chaney’s children, opted for a career within the judiciary rather than the legislature. John Chaney is currently a District Court Judge in Western Australia.49 Whilst the Chaney family is only one example, it still gives Connell’s supposition credibility. The Chaney brothers belong to a prestigious family and attended the exclusive Aquinas College before studying at the University of Western Australia. There was every opportunity available for them to enter into political office to carry on their father’s legacy.

Tony D’Aloisio is an honorary member of the Business Council who is a seasoned veteran of the business community. Whilst D’Aloisio was not deemed significant enough for an entry in the Who’s Who in Australia collection, Monash University proudly lists Tony as one of their prominent alumni. D’Aloisio, who was sacked as Managing Director of the Australian Stock Exchange, is still currently employed by the ASX until October, 2006.50 Mr. D’Aloisio has been a member of the BCA Board for several years. In 2004 D’Aloisio became a senior executive at the ASX in the face of dwindling returns on capital. Before the ASX appointment, D’Aloisio practiced commercial law with Mallesons Stephens Jacques. In 1992, Tony became the Chief Executive partner in the corporate law firm.51 In addition to successfully practicing corporate law, D’Aloisio is steeped in the practice of business management. D’Aloisio provides an excellent example of a CEO who is well placed to exercise ‘business scan’. Business scan is a term coined by sociologist Michael Useem. Useem conducted an empirical investigation of large corporations in the US and UK during the 1970s and 1980s. In regards to interlocking directorates, Useem rejects the resource-exchange thesis which claims that directors sit on different boards in order to form amicable links in the aim of exchanging resources.52 Rather, Useem contends that top management is invited to sit on other boards so that they might impart their wisdom to other directors. Essentially, rather than offering market research, which is mostly outdated, managers benefit more from sitting on various boards and developing a wide scan of the economic terrain.53 Thus, it is not surprising that the former CEO of the ASX is a welcome, if not Honorary, member on the Board of the BCA.

Geoff Dixon, another BCA board member, has been the CEO of QANTAS Airways Limited since 2001. Dixon’s career includes various positions within Qantas such as Executive Director, Deputy Chief Executive Communications, Group Executive General Manager of Communications and Executive General Manager of Marketing and Corporate Affairs. Outside the former state owned company, Dixon has worked for Air Pacific, Ansett and Leighton Holdings. Like his fellow board members in the Business Council, Dixon saw corporate goals clearly. In an address to the QANTAS General Meeting in October, 2005, Dixon endorsed the proposed IR reforms which would enter Parliament in November, stating:

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53 Ibid, Useem, pp.46-47.
They will give established successful companies like Qantas greater flexibility to adapt to changing market conditions...Because if they do not, or if we do not, be sure that others will come in and use green fields costs or foreign structural advantages to devastating effect.54

It would have been utterly surprising if Dixon had not supported the reforms, considering the BCA had proposed them before the government. Dixon is an example of an ex-public sector manager who has benefited from the privatisation of QANTAS.

Ms. Katie Lahey, one of five women in the Secretariat of the BCA is the CEO. Lahey has a BA (Hons) and MBA from Melbourne University.55 In September, 2001, Lahey became the CEO of the BCA after serving as the CEO of the NSW State Chamber of Commerce since 1995. Prior to this appointment, Lahey was the General Manager of the Sydney City Council and played a major role in preparing the city to bid for the 2000 Olympics. In three years as head of the Sydney Council, Lahey turned a $22.5 million deficit into a $14 million surplus.56 It is clear to see that the most of Lahey’s executive career lay within the public sector. Apart from her directorship links to David Jones and Hills Motorway Management, Ms. Lahey has served the public sector for the majority of her career. It could be argued that a person with such experience and connections within the public sector would be an invaluable asset to an organisation such as the BCA. After all, the BCA is essentially a concentrated mass of power which represents the private sector. By its own admission, ‘The Business Council of Australia is an association of Chief Executives from leading Australian corporations…[established]…to provide a forum for Australian business leadership to contribute directly to public policy’.57 Lahey is an example of the diversifying leadership of the ruling elite. As more people are employed in the private sector, managerial ranks swell and hence, various groups lay claim to the ruling stratum.58

The board of the BCA is indicative of the standardised corporate structure and management principles prevalent today. However, of crucial note is the character of the Business Council. The BCA represents those companies at the commanding heights of Australian capitalist society.

This paper has suggested that a ruling class does indeed exist in Australia. It focused on illustrating the contemporary nature of Australian capitalism by charting the development of neoliberalism. The extensive connotations of neoliberal thought impact upon every aspect of society today. It has been argued that there exists a base for ruling class power within the state. This power-base is inherently a function of the current dominant ideology. In accordance with Connell, it was suggested that to correctly identify the process of ruling class power, class mobilisation must be examined.

The BCA represents one faction, albeit the most powerful, of the ruling class. Big business, whilst competitive in the market, is unified in its goal to ensure the maintenance of capitalism. The implementation of the WorkChoices Act should be seen in the context of wider neoliberal reforms which have been instigated by corporate powers since the 1970s. However, WorkChoices should also be seen as an historic mobilisation of capital which is indicative of the hostile attitude of today’s bourgeoisie.

58 Op Cit, Hollier, p.8.
In relation to policy, this paper has attempted to demonstrate how the ruling class was able to implement its class goals through coercion of the state apparatus. In this light, it would seem unnecessary and indeed, futile to advance any ideas on alternative policy. Any such suggestions would merely be fanciful notions forwarded by an individual, not a class. Thus, this paper will not attempt to suggest any alternative to WorkChoices. Moreover, such suggestions would detract from the aims of the paper. It must not be overlooked that this article is attempting to illustrate a hegemonic situation and the mechanisms of control which operate it. The only recommendation this article will make is that those who observe the political economic scenery should pay closer attention to the actions of an aggressive ruling class who are well equipped to execute offensives in an enduring class war.

Examination of the ruling class provides insight to the current state of civil society. Contemporary society is marked by an ignorance of class and an embrace of individual greed. Profitability is the ultimate end. The means to achieve this end, however unconscionable, are nevertheless justified.

Bibliography


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