

# Price for all when union power met its equal

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By **EWIN HANNAN**

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PAUL “Houli” Houlihan, the veteran industrial warrior, is reflecting on the landmark Mudginberri dispute and its impact on contemporary workplace relations.

“What was critical about Mudginberri was it was the first time that a union ever got done for damages,” the former National Farmers Federation industrial director says. “It sent a very significant collective shudder through the union movement.”

Houlihan was pivotal in the groundbreaking battle fought in the mid-80s at the Mudginberri abattoir and meatworks, 200km east of Darwin. Along with the Queensland power dispute and battles at Dollar Sweets and Robe River, the dispute at Mudginberri gave momentum to the so-called New Right, which wanted to weaken the influence of the trade union movement. At the time John Howard declared: “Let a thousand Mudginberris bloom.”

Mudginberri was the first time the Trade Practices Act was used successfully against a trade union. It was also the making of the NFF under Ian McLachlan, who said later that the dispute gave the federation the momentum to build a \$10 million fighting fund that was used to push for changes to the industrial relations system.

## [1986: Shot that shook up print](#)

In 1984, the Australasian Meat Industry Employees Union set up a picket outside Mudginberri in support of its claim that employees should be paid under a wages system known as the tally system.

Mudginberri, run by managing director Jay Pendarvis, did not employ labour but engaged contractors who, in turn, hired men to carry out work at the abattoir. These workers were on individual contracts, two decades before the era of Work Choices and Australian Workplace Agreements.

After management won court orders, the picket was disbanded in July 1984, and the Conciliation and Arbitration Commission deliberated on a union application for an award to cover meat employees in the Northern Territory.

The commission made an award that did not adopt the tally system but included a provision enabling the use, on certain conditions, of a system of payment by results. This was acceptable to the contract workers but rejected by the union, which reneged on an earlier undertaking to abide by the commission's decision.

When management started operating for the next season in May 1985, the union set up a fresh picket that it maintained until September.

Federal meat inspectors refused to cross the picket.

Pendarvis took action under section 45D of the Trade Practices Act which resulted in the union being fined \$144,000 and incurring \$2 million in legal costs.

Pendarvis, who this newspaper named Australian of the Year, was awarded \$1.759m in damages.

“It's hard for my children to understand the role that unions had, legitimate or otherwise, in the community in those times,” says Houlihan, who went on to play an important behind-the-scenes role in the 1998 waterfront dispute.

“The capacity they had to say yes or no to whatever happened was enormous.

“There was a lot of interest in Mudginberri. The fact that this union got done, lost the blue and then got done for damages was terribly important. All of a sudden a lot of people realised you don't have to cop this crap, there are things you can do about it.”

As for the late Pendarvis, the dispute took a significant personal toll. According to Houlihan, Pendarvis struggled to cope with the pressures of the dispute, including 21 days of the “most intense” cross-examination during the damages action.

“Jay, at the end of that, was simply a wreck,” Houlihan says. “He had a breakdown and sold the (abattoir) lease. His marriage broke down.” Much of the money Pendarvis was awarded in damages was chewed up in legal costs.

“He paid a big price,” Houlihan says. “It was hard on everyone but it was particularly hard on Jay.”

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