

# Australia: Construction unions' Westgate Bridge deal sets dangerous new benchmark

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19 June 2009

An article in the *Age* on June 18 confirms that an agreement signed off by two major construction unions last month to settle a protracted industrial dispute on the \$240 million upgrade project on Melbourne's Westgate Bridge contains an extraordinary no-strike clause, with provisions for thousands of dollars in fines for any breach.

Quoting from a copy of the deal, the newspaper revealed that the Construction, Forestry Mining and Energy Union (CFMEU) and the Australian Manufacturing and Workers Union (AMWU) agreed they would not "threaten, organise, encourage, procure or engage in any industrial action" including picketing and protests or actions to discourage people from working on John Holland construction company projects. The unions also agreed to pay a combined \$650,000 to charities every time the agreement was breached.

The *Age* article notes: "Clearly John Holland sees the deal as a way to extract a peace dividend from an industry often beset by confrontation and use it as an advantage to win other projects." But the agreement not only clears the way for similar arrangements on future Holland projects. It sets a new benchmark for other construction companies anxious to gain contracts under conditions of deepening economic crisis and sharpening competition.

Referring to the deal, online publication *Business Spectator* declared "the significance of West Gate goes much further and the Leighton subsidiary John Holland achieved an enormous advantage over its competitors in future contracts simply because Holland was prepared to stand up and be counted at West Gate under the protection of the current [Industrial Relations] act."

The Westgate Bridge dispute emerged in February when the principal contractor John Holland refused to recognise a wage deal struck by the CFMEU and AMWU with labour hire company Civil Pacific Services, a subcontractor on the site. The agreement contained an hourly wage rate of \$36.97, nearly \$10 an hour more than the one negotiated by Holland with the Australian Workers Union, the union that had site coverage.

In a bid to force Holland to negotiate, the two unions set up a picket on February 6. On February 27 Civil Pacific Services withdrew from its contract with Holland and terminated the

jobs of the 39 workers it employed. As the dispute escalated the picket outside of the workplace began to attract support from other sections of workers.

Holland responded by seeking a series of Federal Court injunctions demanding the action cease so work on the project by the remaining contractors could continue unhampered. The Court granted an initial injunction on February 6, charging the CFMEU and AMWU with coercing Civil Pacific Services and John Holland into making an agreement and ordering industrial action to end. The strikers, however, defied the order.

As picketing continued, the company decided to sharply change tack. The dispute could be utilised, it reasoned, to bring about a decisive shift in work relations on the Westgate Bridge site that could then be imposed on other projects.

The operation included legal action against the two unions involving a massive \$50 million damages claim, along with \$10 million against nine individuals. The extraordinary claims provoked Robert Gottliebsen, columnist for online publication *Business Spectator*, to proclaim he had never seen damages claims at this level against unions, and that even if a fraction of the amount was awarded "the unions and its officials would be bankrupted".

Holland's operation had the full backing of the Rudd government. The Australian Building and Construction Commission (ABCC) brought charges against the unions and the workers involving 100 breaches of the Building Industry Act and Trade Practices Act. During the dispute, ABCC inspectors followed strikers, took photos and made recordings of picketers.

The ABCC was created by the former Howard government and armed with unprecedented coercive and punitive powers to harass and attack construction workers. Its powers include initiating prosecutions with fines of up to \$110,000 against unions or \$22,000 against individuals for taking so-called "unlawful" industrial action. The Labor government has pledged to retain the ABCC until 2010 and then transfer its functions to a "specialist division" in a newly created so-called Fair Work Australia agency.

The media also waded in, attempting to undermine growing support for the sacked workers that included more than 600 workers from city building sites joining the picket on April 29. One day before, an estimated 10,000 building workers rallied in Melbourne to demand the Rudd government abolish the ABCC.

As the dispute continued, the media rolled out increasingly hysterical articles designed to blacken the strikers. At one point, and without providing any evidence, sections of the media published allegations that members of a bikie gang had been paid to attend the Westgate Bridge picket line, claims that were later proven to be false.

Under the provocative headline “Back to the bad old days”, the April 6 *Business Spectator* uncritically reported unsubstantiated allegations of “cars driven by men wearing balaclavas” following a vehicle with contractors from the site. The same allegations appeared in other sections of the media and were also recycled by federal workplace relations minister Julia Gillard during her speech at the Australian Council of Trade Unions (ACTU) triennial congress held earlier this month.

At the same time, the operation to intimidate and break the Westgate Bridge strikers was fully backed by the Victorian Labor state government, which dispatched hundreds of police—many in full riot gear—to the picket line during the course of the dispute.

In an article in *Business Spectator*, Robert Gottliebsen revealed the extent of government involvement, reporting a discussion he had with Victorian Police Commissioner Simon Overland in late April. Gottliebsen claimed the commissioner told him, “the government had encouraged him [Overland] to use whatever was required to keep order” and “to divert whatever resources were required” ahead of a possible settlement.

On April 30, just two days after the huge anti-ABCC demonstration in Melbourne, the unions suddenly suspended picketing and called a “48-hour truce” to rush into negotiations with the company. By May 17 an agreement was struck. The CFMEU and AMWU agreed to the no-strike clause in return for shared coverage on the site, alongside the AWU, whose members received an hourly wage rise for increased productivity guarantees.

The unions have attempted to cover up their signing of the unprecedented no-strike clause. CFMEU Victorian state secretary Bill Oliver refused to confirm the deal when asked directly in an interview by the *Age* on May 7, making the ridiculous claim that any agreement pertaining to workers’

wages and conditions was “confidential”.

Not only did the unions agree to a no-strike clause, now confirmed by the *Age*, the *Workplace Express* web site reported on May 15 that they had also agreed that ten of the workers charged by the police during the dispute would not be reemployed on site. They would instead be offered \$10,000 in severance to walk away.

The settlement imposed at the Westgate Bridge site demonstrates once again that the agenda of the unions has nothing to do with defending workers’ hard-won conditions or rights. On the contrary, it is aimed at sabotaging and suppressing any attempt by workers to fight employer attacks.

Competition among building companies for contracts has intensified under conditions of a sharp slowing in construction activity under the impact of the global financial crisis. According to a recent survey by the Master Builders Association, activity across the building industry will fall by 20 percent this year.

For the CFMEU and the AMWU bureaucrats, scrambling to ensure their continuing control and influence in the industry, the Westgate Bridge dispute became a means of demonstrating to Holland, other employers and the state and federal Labor governments, their reliability as the most ruthless industrial policemen.

Moreover, both unions have a direct material interest in ensuring “industrial peace” on construction sites. Together with the ACTU, the construction unions are among the biggest investors in the building industry, through the union-employer Cbus superannuation fund. It currently has at its disposal almost \$13 billion in investment funds.



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