

Australia: Construction unions to pay record \$1.3 million fine

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The Construction, Forestry, Mining and Energy Union (CFMEU) and Australian Manufacturing Workers Union (AMWU) have agreed to pay a \$1.3 million (\$US1.17 million) fine for alleged breaches of industrial laws during a dispute at Melbourne's West Gate Bridge construction project last year. The record sum was agreed to after closed-door meetings between the unions and the Australian Building and Construction Commission (ABCC), the antidemocratic industrial "watchdog" established by the previous government of John Howard and since retained by Labor Prime Minister Kevin Rudd.

The unions' handover of more than a million dollars underscores their complicity with the draconian regime imposed on building workers by the Rudd government and its assigned agencies, the ABCC and Fair Work Australia. While posturing as defenders of workers' democratic rights, the unions are in fact the central element in policing the current industrial relations regime and blocking any independent action by workers.

The \$1.3 million fine marks the final stage in the unions' sordid manoeuvres around the West Gate Bridge dispute, which were aimed at maintaining their position at the project at the expense of workers' jobs and conditions.

In February last year, construction company John Holland refused to recognise a wage deal struck by one of its labour hire subcontractors with the CFMEU and AMWU. The agreement would have involved workers being paid \$37 an hour, about \$10 more than for the existing workers, who were covered by the Australian Workers Union (AWU). As a result, 39 workers were sacked. A picket was subsequently manned by workers at the site, in defiance of Federal Court injunctions prohibiting industrial action. The protest won wide

support throughout the construction industry in Melbourne, with more than 600 workers from various city sites marching to the West Gate picket on April 29. They were met by hundreds of riot police mobilised by the state Labor government of Premier John Brumby.

The very next day the CFMEU and AMWU shut down the picket. The terms of a secret deal negotiated by the unions and John Holland were later revealed in the media. In return for the company dropping a multi-million dollar damages claim and conceding joint union coverage of the West Gate Bridge project, the unions issued a blanket guarantee not to "threaten, organise, encourage, procure or engage in any industrial action" at the site, with a \$650,000 voluntary penalty to be paid if the no-strike pledge were breached.

The workers involved in the dispute had demonstrated considerable courage and solidarity in taking action to defend the 39 sacked workers, despite the threat of massive personal fines and other punitive measures. The unions, on the other hand, had a different agenda: the dispute was nothing more than a turf war for coverage of a lucrative project. Indifferent to, and insulated from, the concerns of their members, the union bureaucracy's privileges are now largely bound up with securing deals with the construction companies, ensuring industrial "peace" and maximising productivity and profits. Moreover, through the \$13 billion CBus superannuation fund and other industry super funds, the unions are investors in many of the largest construction projects underway in Victoria and nationally, with a direct stake in the exploitation of building workers.

In the course of the picket, 12 West Gate workers were charged over an alleged incident involving the pursuit of a Land Cruiser used to transport scab workers from the

construction site. The CFMEU and AMWU organised no defence campaign and said nothing about the prosecutions despite the serious nature of the charges. Completely isolated by the unions, the workers finally agreed to a plea deal that saw the most serious charges dropped.

Throughout the West Gate Bridge dispute, the unions' duplicitous role allowed John Holland, the ABCC, and the federal and state Labor governments to go on the offensive against the construction workers. Deputy Prime Minister Julia Gillard, for example, made the slanderous accusation before an Australian Council of Trade Unions conference last June that "balaclava-wearing" workers had engaged in violence, threats and criminal damage. In fact the only people to have donned balaclavas during the dispute were non-union employees, not the sacked workers or their supporters.

Under the terms of the CFMEU-AMWU and ABCC deal, the unions accepted liability for 52 breaches of the Building and Construction Industry Improvement Act, most comprising workers' "unlawful" industrial action. The CFMEU and two of its officials agreed to hand over \$1 million, while the AMWU accepted a \$325,000 fine. The settlement is yet to be approved by the Federal Court. In a further demonstration of contempt for its members, the unions have maintained a total silence on the fines.

The penalties are substantially larger than any previously imposed. According to an analysis by the *Herald Sun*, in the first three years of the ABCC's existence—from October 2005 to October 2008—construction unions were fined a total of \$1.39 million, although nearly half of this was suspended by the courts.

The unions' decision to pay the record fines paves the way for further attacks on the rights and conditions of construction workers. Gillard immediately weighed in, declaring that the \$1.3 million penalty "confirms the continuing need for a strong cop on the beat in the building and construction industry". She added: "It also confirms that anyone who breaks the law will feel its full force. This outcome supports the government's position that there is a need to focus resources on the culture of unlawfulness existing in the Victorian and West Australian construction industry."

The Master Builders Association has seized upon the

result as part of its campaign to press the Labor government to further bolster the repressive powers of the Fair Work Australia construction section that is to take over from the ABCC.

The agenda was spelled out in an op-ed piece by Brian Welch, head of the Master Builders Association in Victoria, published in the *Australian* last month, shortly before the \$1.3 million fine agreement was announced. "Since the inception of the ABCC, a golden age has emerged for the construction industry," he declared, pointing to greatly reduced strike activity. "Master Builders estimates that savings due to a decline in industrial disputes exceeded \$240 million a year."

Welch called on the government to revise its Building and Construction Industry Improvement (Fair Work) Bill to ensure that the new construction agency is as effective as the ABCC. He added: "Immediate steps must be taken to find suitable candidates to run the watchdog—whether they come from unions or employers—with a passion for stamping out illegal conduct in the industry."

Given the construction unions' record, it is no surprise that a leading business representative would welcome the selection of a "suitable candidate" from union officialdom to run the ABCC's successor organisation.

The author recommends:

Court case against West Gate workers ends in plea bargain
[26 August 2009]

Construction unions' West Gate Bridge deal sets dangerous new benchmark
[19 June 2009]



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