Australian government seizes on union corruption claims to prepare assault on workers

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Prime Minister Tony Abbott has seized on allegations from a joint "investigation" conducted by Fairfax Media and the Australian Broadcasting Corporation (ABC) claiming "widespread" corruption in the construction industry as a pretext to launch a drive for sweeping industrial relations changes demanded by big business to further attack the conditions and rights of workers.

The sensationalised accusations centre on claims that Construction Forestry Mining and Energy Union (CFMEU) officials and shop stewards received bribes, kickbacks and other inducements from contracting and building companies, some allegedly connected to crime figures, in return for helping secure contracts on major projects.

Shortly after Fairfax Media launched its witch hunt, which was followed up on the ABC's television "7.30 Report," Abbott signalled that the government might establish a Royal Commission into corruption in the construction industry, or expand a previously foreshadowed judicial inquiry into alleged misuse of trade union funds.

Abbott declared: "I have been following this issue, as you'd expect over the last few weeks and months. I notice there have been various calls, including from people inside the union movement, inside the Labor movement more generally, for a fuller inquiry and the government will be making appropriate announcements in due course."

Employment Minister Eric Abetz praised the ABC and Fairfax Media for their reporting, saying they had done a "great public service." Earlier, Abetz underscored the government's underlying motive to drive down wages and conditions, claiming there would be a "wages explosion" unless employers imposed tougher enterprise agreements—even though the unions have already helped enforce real wage cuts via such agreements.

Abbott's unhesitating response to the corruption allegations—which according to Fairfax Media are based on "leaked covertly recorded conversations and records" and unsubstantiated claims by a former union organiser—has a precedent. In 2001, as workplace relations minister in the Howard government, Abbott was involved in the establishment of the Cole Royal Commission into the construction industry, again utilising claims of endemic corruption and union violence.

That inquiry proved to be nothing more than a vehicle for a renewed onslaught on the rights and conditions of construction workers and the working class as a whole. The resulting Building Industry and Construction Improvement Act beefed up the already repressive anti-strike laws introduced by the Howard government in 1996, including by imposing onerous secret ballots for industrial action, together with hefty fines of $110,000 for unions and $22,000 for individual workers for any breaches of the new provisions.

The legislation also established the Australian Building and Construction Commission (ABCC) a policing force with extraordinary coercive powers to interrogate workers, launch prosecutions, compel witnesses to testify, and pursue damages from unions and individual workers for engaging in "illegal" industrial stoppages.

Following the landslide defeat of the Howard government in 2007, the Rudd and Gillard Labor governments retained the ABCC until March 2012 and then replaced it with the Fair Work Building Industry Inspectorate (FWBII) with similar powers. Like the Coalition, Labor claimed that a "tough cop" was necessary to stamp down on union "thuggery" in the sector. The FWBII became part of Labor's "Fair Work" regime, which also maintained the essential anti-strike

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provisions of the Howard government's hated "WorkChoices" laws.

Today's witch hunt emerges amid incessant baying by powerful sections of the corporate elite for even more draconian industrial relations measures. Cutting labour costs has been placed front and centre, particularly after car makers GMH and Ford announced the closure of their Australian operations, complaining that unit costs were twice as high as in the US.

Legislation to reintroduce the ABCC, with even greater powers, is currently stalled in the Senate. The government has also moved to strengthen the national construction industry code to bar companies from applying for government tenders if they sign work agreements that restrict "flexibility " and to jettison the need for negotiated work agreements on new "green fields" projects, across all industries. (See: "Australian government unveils tougher anti-strike laws")

Such changes, however, go nowhere near satisfying sections of the corporate elite who are highly critical that Abbott's Liberal-National Coalition, in order to secure votes, refused during last September's federal election to commit to introducing more drastic measures during its first term of office.

Leading corporate figures, along with sections of the media, are demanding the wholesale removal of "workplace rigidities" that hinder in any way the drive to ramp up productivity and slash costs, including penalty rates and restrictions on the use of contract labour.

Because of the deteriorating world economy and the collapse of the mining investment boom, various big business representatives have declared such restrictions are no longer tenable. Business Council of Australia chief executive Jennifer Westacott called for a "wide-ranging investigation into corruption and criminal conduct" by union officials who drove up employers' costs.

According to the *Australian Financial Review*, some construction firms are concerned that a Royal Commission may expose their own collusion in corruption. Any such inquiry could reveal the mutually-beneficial relations they have with union officials, or stray into other areas, such as the unsafe conditions rife throughout construction. Instead, the employers are demanding the rapid restoration of the ABCC as a proven vehicle for targeting workers.

The Abbott government's feigned moral outrage over alleged union corruption is hardly credible. The capitalist system, which proclaims the pursuit of profit and self-enrichment to be the highest form of human activity, fosters corruption at every level of official, political and corporate life. One only has to review the criminal activity of the corporate and financial elite that led to the 2008 global meltdown.

If true, the alleged sordid activity of union officials is not the product of a few unsavoury individuals but reflects the transformation of the unions over the past three decades, from organisations that once advocated limited reforms in order to contain the class struggle, into open enforcers of a pro-market agenda.

For their services in policing the working class, the union bureaucrats are well rewarded. Leading officials, including from the construction unions, now sit on the boards of multi-billion dollar superannuation investment funds and regularly serve on government-industry commissions—all on top of their management-level salary packages. Moreover, service in the union apparatus is a highway into management, positions on industrial tribunals or lucrative political careers.

In response to the Fairfax-ABC campaign, CFMEU national secretary Dave Noonan and Australian Council of Trade Unions president Ged Kearney had no hesitation in calling on the police and corporate regulators to conduct an investigation. This appeal is mainly to head off any potential probing by union members into the real source of the corruption, but is also a clear signal that the union bureaucracy, as in the past, will work to contain all opposition to the new offensive being prepared by big business.

Kearney, who previously declared her "readiness to work with the new [Abbott] government for a better Australia," rushed to remind Abbott that "trade unions contribute to a prosperous and productive economy"—that is, they are central in driving up productivity and cutting costs, and their services should be retained.

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