

Australian Labor government tries to ram through laws to place construction union under state control

Martin Scott
16 August 2024

The federal Labor government on Monday introduced a bill in the Senate to allow a state-appointed administrator to control the construction division of the Construction, Forestry, and Maritime Employees Union (CFMEU).

The administrator would be granted total control over the division's property, affairs and operations. For the 80,000 workers covered by the construction union, the course of any workplace struggle could be dictated by a hand-picked federal government representative.

This would set a dangerous precedent for the entire working class. As written, the proposed legislation is limited to the construction division of the CFMEU, but there is no reason to think it will not be broadened later.

It demonstrates that the Labor government will not let anything stand in the way of its anti-worker agenda. If laws need to be changed to satisfy the demands of big business, then they will be changed.

Labor's move is the latest escalation in an orchestrated assault on the CFMEU by the media, corporate and political establishment, that is ultimately directed against the wages, conditions and basic workplace and democratic rights of the entire working class.

The attack began a little more than a month ago when Nine Media published a series of articles alleging links to organised crime and corruption at the highest levels of the construction union.

The Labor government has rapidly seized on these unproven claims as a pretext to neuter one of the largest industrial unions in the country, in line with complaints from big business that not enough is being done to suppress wages.

Sitting atop a historically militant section of the workforce, the CFMEU bureaucracy has negotiated pay rises with major developers amounting to between 5 and 6 percent per annum. While still insufficient to make up for previous losses and the soaring cost of living, these numbers are intolerable to the ruling elite amid calls from economists that

nominal wage growth must be reduced below 3.5 percent.

Labor's Senate Leader Penny Wong made clear the class interests served by the legislation, denouncing the Liberal Party and the Greens, who voted against the bill, of betraying "the employers who sought for this bill to be passed."

Under the proposed law, the administrator would have total control over the union's day-to-day operations, including the power to remove elected officials from their posts, fire union employees, and expel members. Officials removed by the administrator could be disqualified for up to five years.

The administrator, hand-picked by Murray Watt, Labor's workplace relations minister, would be able to take these and other "compliance and enforcement" actions "regardless of whether the conduct occurred before or after the administration commenced" and against union officials and employees "both past and present."

The proposed law would apply anti-avoidance measures retrospectively, meaning union officials and employees could be fined for actions taken since July 17 that are subsequently deemed to interfere with the administration process.

Conversely, the administrator would be granted total impunity, protected from being sued "for things done in good faith in their capacity as an administrator."

Adding insult to injury, this administrator would have to be paid by the CFMEU—in other words, from the membership dues of the very workers whose rights he is responsible for trampling. The going rate for a government-installed union dictator is \$621,870 per annum, plus travel and allowances, twice the already exorbitant salary of CFMEU national secretary Zach Smith and many times the average earnings of a construction worker.

The proposed legislation does not specifically address enterprise bargaining. However, the administrator's sweeping powers would allow him to handpick negotiators

who will deliver the demands of big business and the government and shut down any call by workers for strikes against attacks on their wages and conditions.

Underscoring Labor's urgency to pass the anti-union legislation, it was the first bill introduced after parliament resumed on Monday and the government agreed readily to most of the amendments demanded by the Coalition. These include lifetime bans for expelled union officials and an extension of the maximum administration period from three years to five.

Despite these concessions and bipartisan agreement that the construction union must be neutered, Labor was unable to ram the legislation through this week.

The ostensible sticking point on Thursday was the Coalition's demand that the legislation be amended to prevent Labor from receiving political donations from the CFMEU while it is under administration. In fact, Labor has already implemented a ban on donations from the construction union.

The real source of the delay is political posturing by the major parties, as they seek to prove their credentials as the best prospects for enforcing the demands of the corporate and financial elite against an upsurge of working-class opposition in the coming period.

Labor's frontal attack on the CFMEU and the rights of construction workers is being facilitated by the Australian trade union apparatus.

The Australian Council of Trade Unions (ACTU), professing phoney outrage over corruption allegations in the CFMEU, has fully endorsed the move to place the construction union under administration. Moreover, the peak union body, along with numerous business lobby groups, was involved in the drafting of the proposed legislation, Wong told the Senate yesterday.

Not a single union, including the CFMEU itself, has called for strikes or other industrial action against Labor's administration move. This is a clear message from every union bureaucracy in the country that they are totally opposed to an industrial struggle by workers to defend basic workplace and democratic rights.

Moreover, when a group of CFMEU members called a protest to be held outside the ACTU offices on August 5, the Building Industry Group of unions demanded that it be cancelled.

The reality is that the CFMEU bureaucracy does not actually oppose the construction division being placed under the control of an external administrator. Their objection is that this process—which they already began independently last month—has been taken out of their hands.

This was made clear in a statement published Thursday by Zach Smith, national secretary of the CFMEU, and Paddy

Crumlin, national secretary of its maritime division, the Maritime Union of Australia. They complained, "this legislation was lobbed into the Parliament as discussion between the CFMEU and the Fair Work Commission about its proposal for administration were taking place in a properly consultative and transparent process."

The statement does not mention at any stage that a Labor government is carrying out this attack, describing the administration's move as "an extension of the political objectives of its predecessor [the Liberal-National Coalition]."

In the face of the most explicit attack on the democratic rights of Australian workers in decades, the CFMEU bureaucracy defends Labor, the perpetrator, and promotes illusions that the pro-business Fair Work Commission represents an alternative.

This is in line with the role played by the CFMEU and every other union for decades as an industrial police force of corporations and governments. The entire union apparatus has worked to subordinate the class struggle to Labor governments and the industrial courts, shutting down workers' opposition to deepening attacks on jobs, wages, conditions and safety.

To fight Labor's assault on their basic rights, construction workers have to take matters into their own hands. Rank-and-file committees should be formed at all construction sites as a means of opposing the dictates of a state-appointed overseer.

This is an attack on the entire working class and must be fought as such. Building workers, inside and outside of the CFMEU should join together with others throughout the working class in a unified industrial and political fight for real improvements to working and living conditions and against the subordination of society to the demands of the banks and the property developers.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact