

Renewed media attacks on Australian construction union

Martin Scott
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Over recent weeks, the corporate media barrage against the construction division of the Construction, Forestry and Maritime Employees Union (CFMEU) has resumed in earnest, some seven months after the federal Labor government placed the division under administration.

Again, Nine Entertainment outlets, including the *Age*, *Sydney Morning Herald* and *Australian Financial Review* (AFR), along with the television program “60 Minutes,” are playing the lead role. Beginning in July last year, their “Building Bad” series, alleging links between the building union and several “underworld” crime figures, provided a pretext for hundreds of elected union officials to be sacked and 80,000 building workers to be brought under the rule of a quasi-dictator answerable to the capitalist state.

Labor’s claim to be cleansing the union of rogue elements was always a fraud. The allegations of corruption, which remain untested and unsubstantiated to this day, were nothing more than a front for a massive attack on the wages, conditions and basic rights of building workers.

The recent Nine coverage centred on an interview with Geoffrey Watson, SC, the barrister appointed by the administrator to investigate the construction division. That even the official internal investigation is being run as a trial by media is a strong indication that little if any of what is being alleged would stand up in court.

Watson asserts that among the union’s hundreds of delegates, a small group, allegedly current or former members of outlaw motorcycle clubs, has secured ongoing payments ranging from \$30,000 to \$600,000 from construction companies in return for maintaining industrial peace. These payments have reportedly continued, at least until several weeks ago, despite the construction union having been placed in administration in August.

Watson claims that these payments have been made to “dummy companies,” connected in some unspecified way to Mick Gatto, an industrial mediator previously accused of being involved in the Melbourne “underworld.” Gatto “sits at the centre of a web spreading across the entire Victorian construction industry,” Watson said on “60 Minutes.”

Earlier this month, the Australian Federal Police raided the home of Charles Pellegrino, an accountant linked to Gatto, seeking evidence of these claims as part of Operation Rye, which is tasked with investigating the union. No one has been charged with CFMEU-related crimes as a result of the raid.

Watson also claims that “bikies and their associates” have,

through supposedly “CFMEU-backed” labour hire companies, been put on the books of various infrastructure projects funded by the Victorian Labor government, picking up thousands of dollars a week without actually showing up for work.

In addition, Watson’s latest report to the administrator accepts the claim of a whistleblower that Faruk Orman was paid \$250,000 by two civil contractors in exchange for helping them get an enterprise bargaining agreement with the CFMEU. The claim is that Orman set up a new company, struck a “greenfields” agreement with the union, obtained approval from the Fair Work Commission and then sold the company to the contractors. Orman denies the allegation.

The “60 Minutes” episode also included allegations of violence against female workers by individuals connected with the CFMEU. These included footage allegedly showing a “bikie-linked” CFMEU health and safety representative bashing a woman, although she is not visible on screen. The man was reportedly removed from his post after the union was sent the footage last year.

Another woman claimed she was locked in a room on a job site by a drug-addicted man who had previously been jailed for violence against women. A third said she was beaten up outside her workplace by a man related to two CFMEU officials, who were then tipped off when she complained.

The women claim they were blacklisted by the union after reporting the alleged incidents.

These three unproven allegations, Nine claims, “reveal a pattern” of the CFMEU “pushing men with violent histories onto worksites and then punishing women who complain about their behaviour.”

Accepting these allegations of violence against women at face value, CFMEU National Secretary Zach Smith said, “I believe the whole union has let these women down.”

In response to the corruption claims, Smith called an emergency delegates’ meeting on March 18, declaring, “It is true—some of our people have been caught up in this.”

According to the AFR, the meeting passed a resolution giving the union leadership oversight over the election of workplace delegates. With the union under administration, what Smith and his cronies have pushed through is a mechanism to expand the state’s control of the organisation right down to the individual workplace level.

In other words, the CFMEU is seizing upon unsubstantiated

media allegations of “inappropriate conduct” by a small number of delegates as a pretext to strengthen the bureaucracy and further constrain workers’ democratic rights.

As was the case with the initial “Building Bad” series last year, what is most notable about the latest round of media attacks is their lack of substance. Nine months of intense scrutiny, by the media, state and federal police task forces and inquiries launched by governments and the administrator himself, have unearthed virtually nothing.

Violent attacks against workers, female or otherwise, particularly by individuals appointed to positions of power by an employer and/or union, are abhorrent and inexcusable. But the discovery of a mere handful of allegations by multiple investigations into a union with some 80,000 members cannot credibly be considered a “pattern,” as Nine insists.

The allegations against Gatto and Orman, only slightly more fleshed out than they were in July last year, remain unproven, and rely heavily on vague assertions of their connections with the CFMEU. Other accounts of supposed gang-infiltration of labour-hire and other construction businesses are even more tenuously linked to the union, as if the mere fact of an enterprise bargaining agreement were an endorsement of a business’s good character.

What the recent corruption claims really demonstrate is that the privatisation of government infrastructure projects has created a bonanza for private developers and contractors, to which criminal elements have eagerly flocked.

The recent flurry of media coverage has given fuel to renewed threats from sections of the ruling elite that always opposed the administration from the standpoint that it did not go far enough to stamp out the democratic rights of building workers.

Federal Opposition leader Peter Dutton has vowed to de-register the construction division entirely if the Coalition wins the forthcoming election. Workplace Relations Minister Murray Watt restated Labor’s objection to this course of action, saying it would allow the union to “operate without any regulation, with the worst elements free to run rampant on construction sites again.”

Declaring that the “CFMEU is a modern-day mafia operation,” Dutton also flagged introducing laws based on US Racketeer Influenced and Corrupt Organisations (RICO) measures, to allow the police to go after union leaders for illegal activity by the organisation, even if they have no personal connection to it. In the US, such measures have been used to criminalise protests.

Dutton’s threats have provided an opportunity for the CFMEU and other building industry unions to quietly go back on their vows, made in response to the administration, to withhold campaign support for the Labor Party.

In a video to members, which, according to the AFR, was approved by the administrator, Smith said the union would fight Dutton’s de-registration threat “tooth and nail.” Within the framework of parliamentary politics, this can only be understood as instruction to workers hostile to Labor to hold their noses and vote for the party that carried out the most blatant attack on workplace democratic rights in decades.

This underscores that, even under conditions of an outright assault, the CFMEU construction division, like all the unions, remains thoroughly tied to the Labor Party and the political

establishment.

This has been demonstrated since the first allegations and calls for administration were raised last year. The CFMEU leadership, along with their bureaucratic allies in the other building industry unions, have at every stage sought to prevent the mobilisation of workers against the anti-democratic attack.

Not a single strike or protest was organised in the six weeks before the administration was imposed, as the CFMEU leadership sought to reach a backroom deal with the Labor government to place the union under state control without impinging on the substantial privileges of the union bureaucrats themselves.

Only after the administrator was appointed, and numerous high-ranking union officials sacked, were workers called out to protest, with the perspective of these demonstrations restricted to demands for the reinstatement of the leadership.

Even then, just two strikes were called in Melbourne and three in Sydney. Faced with substantial opposition of workers to the Labor government and its attack, demonstrated by the tens of thousands who turned out for the protests, the ousted CFMEU bureaucracy insisted all they could do was wait for the outcome of a High Court appeal against the administration.

More than four months after the final Sydney rally, they are still waiting.

Only in Queensland, where the newly elected Liberal-National government has utilised Labor’s neutering of the construction union to slash wages, conditions and safety measures on publicly funded projects, have construction workers been called upon to protest this year, further illustrating the building unions’ ties to Labor.

To defeat administration and take up a fight for real improvements to wages and conditions in the building industry and more broadly, workers need a political break with the Labor Party and a rebellion against both the current and former CFMEU leadership. This means establishing rank-and-file committees, controlled by workers themselves, not the privileged union officials and their cronies.

Labor’s attack on the CFMEU is the sharpest expression in Australia of a global assault on workers by the ruling class, amid an escalating crisis of capitalism. This poses the need for a unified political struggle by the working class against the subordination of every aspect of workers’ lives to corporate profits.

Above all, what is posed is the need to fight for a workers’ government to implement socialist policies. The major developers, banks and other big corporations must be placed under democratic workers’ control and ownership, to allow society’s resources to provide the social needs of working people, not further the wealth of the financial elite.

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