

## **CFMEU will be spared delisting by the Turnbull government**

The Australian, January 7, 2016 Tony Bramston, Senior writer, Sydney

Employment Minister Michaelia Cash says that reinstating the construction industry watchdog was the government's primary goal.

The looming merger of the Construction Forestry Mining and Energy Union with the Maritime Union of Australia — creating what MUA national secretary Paddy Crumlin boasts will be the “most powerful” union in the nation — has frustrated any push from within the Coalition to deregister the scandal-plagued construction union.

The Australian has learned the government will not move to deregister the CFMEU despite evidence of widespread corruption and criminality but will instead seek to transform the “perverse culture” and “mindset” across the construction industry.

Accepting the view of the Heydon royal commission, which did not recommend deregistering the CFMEU, the Coalition believes such a move would be costly and lengthy, with the MUA merger having the potential to “forestall cancellation of registration” because the CFMEU would “cease to exist”.

The merger, which was to have been put to MUA members next month but could be delayed until later in the year, will bring together the most militant unions in Australia, uniting the CFMEU and its 100,000-plus members with the smaller but wealthy MUA. Mr Crumlin said in October the merger, backed strongly by both unions, presented an opportunity “to build Australia's most powerful union”.

He told his members in a recent letter that the merger with the CFMEU would strengthen the political and industrial muscle of both unions, and also “the entire national and international labour movement”.

“The potential merger could present a strong, effective political and industrial opposition to the ongoing attacks and orchestrated anti-worker and anti-union campaigns from neoliberal and other right-wing forces,” he said.

Employment Minister Michaelia Cash told The Australian that reinstating the construction industry watchdog was the government's primary goal because it would “address the fundamental problem of the culture and the mindset that exists in the construction industry” and re-establish respect for the rule of law. “The Heydon royal commission has once again confirmed there is a perverse culture in the construction industry, particularly in the construction division of the CFMEU, that complying with the law is seen as merely optional and breaking the law is normal practice,” she said.

“Unless and until there is a strong regulator enforcing legislation that actually deters people from repeatedly breaking the law, the culture in the industry will not change. The current laws have simply been insufficient.”

The Royal Commission into Trade Union Governance and Corruption argued that deregistering the CFMEU would not fundamentally address problems in the construction sector and would impact adversely on members who are not at fault for the actions of rogue officials.

“Cancelling the registration of the whole union may have a disproportionate effect on union members who have not been involved in illegal activity,” the report said.

The Coalition is also acutely aware of the commission's view that the proposed merger between the CFMEU and the MUA could be used to frustrate any push for deregistration by special legislation or through the existing Fair Work legislation.

Labor and the ACTU will vigorously oppose any push to deregister the CFMEU, given the very close links between the union's leadership and the leadership of the party and the ACTU.

Opposition workplace relations spokesman Brendan O'Connor last week defended the CFMEU and poured scorn on the suggestion it should disaffiliate from Labor. "To suggest because there may be individuals in an organisation, somehow that organisation is systemically corrupt, it does not hold water," he told ABC radio.

His brother, Michael O'Connor, is the national secretary of the CFMEU, a key faction powerbroker in the Labor Party and frequently an ally of Bill Shorten.

Former employment minister Eric Abetz yesterday described the proposed merger of the CFMEU and MUA as a "disastrous workplace relations cocktail", telling The Australian that deregistration should be reserved by the government as a "secondary" option in the effort to crackdown on union corruption.

He said the priority, as outlined by Malcolm Turnbull, should be behind instituting a stronger registered organisations commission to oversee unions and reviving the construction industry watchdog, the Australian Building and Construction Commission.

But Senator Abetz went one step further, proposing "consideration of the deregistration of particular officials of unions, if that is warranted, and divisions of particular unions".

The royal commission described the CFMEU as a "dangerous" and finding misconduct to be "widespread", with a dozen current or former officials referred to authorities for possible corruption, bullying and knowingly giving false evidence.

It follows several adverse court rulings against the union in recent years. In November, the Federal Court described the CFMEU's previous repeated contraventions of the law as painting "a depressing picture". It referred to the CFMEU's conduct as displaying "an organisational culture in which contraventions of the law have become normalised".

Bob Hawke, a former Labor prime minister and ACTU president, whose government deregistered the Builders Labourers' Federation in 1986, lashed the CFMEU in a recent interview with The Australian. "The unions need to clean up their act and get their house in order," he said. "It just is appalling. I mean, I wouldn't tolerate it. You know what I did with the BLF — I would throw them out."

The Office of the Australian Building and Construction Commissioner — a statutory independent authority to enforce compliance with workplace laws, undertake investigations and commence penalty proceedings — was dismantled by the Gillard government in 2012. It was replaced by a new but weaker regulator, Fair Work Building & Construction.

"The ABCC was successful in starting to change the culture in the industry before Labor abolished it," Senator Cash said.

"When there is an effective regulator who enforces laws with meaningful penalties, people think twice before breaking the law. As soon as the ABCC was abolished, the improvements in culture were lost almost immediately."

The Coalition has repeatedly tried to reinstate the ABCC, but the legislation has been voted down by Labor and the Greens in the Senate. This legislation will be reintroduced next month and the government hopes to pass it into law by March.

“The government is focused on bringing about lasting change in the culture of the industry by re-establishing the ABCC and respect for the rule of law,” Senator Cash said. “The Heydon royal commission has recommended laws that will stamp out corrupt and unethical conduct between employers and unions. This is the government’s focus”.