

Labor's legacy could build up union corruption

GRACE COLLIER, THE AUSTRALIAN, MARCH 21, 2015.

SOON another political landmine will explode. It was planted long ago by federal Labor. On May 30, under a legislative sunset provision, the anti-corruption body in the construction sector, the Fair Work Building and Construction agency, will lose some of its crucial powers.

The construction unions must be excited. Final control over any resisters, the remaining honest construction businesses in the sector, will be theirs. All large-scale projects — “union jobs” — will be built in total union compliance, under a system of corporatised corruption.

We are already regarded as the most expensive construction destination on the planet, but the cost of our infrastructure will rise even higher. Timeframes for completion will blow out. Domestically, people will wait even longer and pay even more for their roads, hospitals and apartment complexes.

Dodgy deals done in the boardrooms of our biggest building companies will be implemented right down the supply chain, to the smallest subcontractors. Tony Abbott's infrastructure plans will be seriously under question. In all good conscience, how will any politician hand any taxpayer money over to this sector after May 30?

Our international reputation — already woeful in this area — will plummet even further; more capital will avoid our shores. In 2012, Lend Lease, operating overseas, paid \$US56 million in fines, the largest construction fraud settlement in New York City history. Why would anyone want to invest in a country where corporate cowboys with questionable reputations partner with unions that are basically criminal gangs to rip off investors, especially when those unions are above the law, more powerful than the police, own a large slice of the retirement savings sector and exert great control over the political party likely to be next in power?

But I don't want any of you to worry, because Jacqui Lambie is going to step in and save the day. Even though the government has put forward legislation to tackle all this, Lambie thinks it's unfair, will vote it down and has proposed a solution. She is going to stand tall and read out in parliament any

sworn statements of allegations of corruption, violence and thuggery that scared Tasmanians (no one else, just Tasmanians) may make to her.

Union corruption is vastly misunderstood. The government's proposed legislation to replace the FWBC by reinstating the Australian Building and Construction Commission is vastly misunderstood. Lambie's speech in the Senate this week displayed stunning ignorance and put forward absurd propositions. Union propaganda has been swallowed hook, line and sinker.

The government's proposed solution goes a long way towards addressing our problems. It contains four elements:

Instead of lapsing on May 30, powers to compel people to provide information about corruption and protect whistleblowers will stay in place. The unions make out workers will be kidnapped, held in a "star chamber" and tortured until they speak. Rubbish. These powers already exist and that doesn't happen. Whistleblowers who come forward to provide information prefer to say that they had to talk, they were legally compelled. This gets them off the hook with the union, and protects their safety and that of their families.

Maximum penalties for prohibited conduct, cut by two-thirds under Labor, will be restored to be a meaningful deterrent. These are still miles below penalties in the corporate sector, even though the unions are running a ridiculous line about ordinary workers being subject to penalties while white-collar fat cats get off lightly.

When unions cannot get their way, sometimes they send strangers to block people's driveways and intimidate workers trying to get to work. When this happens, the police refuse to act. The law contains remedies to deal with "unlawful picketing".

An anti-corruption building code will be administered. This code does not apply to unions, only to businesses, and is designed to commercially punish corrupt employers.

Union corruption in construction could not exist without collusion from the big businesses at the top of the food chain. Before a project built in a corrupt fashion goes ahead, the firm building the project signs a contract with the union. There is no warm and fuzzy collective bargaining process with workers, just a perfunctory meeting between company executives and union officials over a document that sets out wages and conditions for people that neither party will employ.

Once that contract is signed, the firm advises or agrees with the unions on the names of businesses they will be hiring on the project, and the unions contact those businesses and tell them if they want to work on the project they must sign up to the contract and pay all their staff the wages and conditions in the contract. Often, businesses have to pay bribes to sign, too.

Senators should ask themselves: why should smaller companies be forced to pay their workers wage levels that are dictated to them by their client, who uses the union as a paid enforcer? Further, why should they pay bribes just so they can win work?

Finally, senators should remember this: our economy is looking for a new growth area. With the right regulation, that growth area could be our construction sector. It really could. But, without it, it won't be.