

# Five fixes are called for to clean up the CFMEU

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**A**ustralia has a once in a generation opportunity to rid our biggest construction union of ingrained criminal and corrupt conduct. We cannot afford to miss it.

Placing the construction division of the CFMEU into administration can only benefit our economy, construction companies and the construction workforce who deserve a reputable and strong union to represent them.

The question is what next?

The pending appointment of an administrator to clean up the CFMEU is an unavoidable response to a sad saga of failed regulation of workplace relations in the building and construction industry.

Clearly, the CFMEU could never have been credibly left to fixing its own mess.

Putting the union into administration is a sensible first step to cleaning it up.

Deregistration is always an option to keep in the back pocket, but the deregistration of the Builders Labourers Federation in 1986 simply gave birth to the CFMEU as many of its officials and delegates simply changed their job titles.

Government directed action through the administration process needs to involve far more than just weeding out CFMEU connections to organised crime. Removing criminality does not warrant accolades.

Stories of a pattern of widespread bullying, thuggery, intimidation and misuse of power by the CFMEU in Australian workplaces are not new. Some of it may fall short of criminality but it has been tolerated for far too long. The culture of fear that has evolved has simply made it impossible for industry participants to speak out.

The average Australian would be revolted and disgusted if they knew the full extent of the systemic abuse and stand-over tactics that construction employers report to be routinely deployed by CFMEU representatives.

Court judgment after court judgment has piled up against a union where paying fines and ignoring judicial admonishments appeared to be part of the business model.

Workers have been bullied into joining the CFMEU. Employer representatives are routinely intimidated and harassed. Taxpayer-funded construction projects have faced monstrous delays and cost overruns.

The union has acted like it alone controls projects and worksites. Safety has commonly been weaponised as an industrial tool to stand over employers and contractors.

Five fixes are needed.

An administrator of the union needs to be able to clean out its leadership that has tolerated and even encouraged criminal infiltration. A union is not a charity aiming to provide hardened criminals with “second chances” to be its representatives or delegates.

Just as the corporate sector and its regulators can have zero tolerance for criminal behaviour, the union movement must be in the same boat. The CFMEU’s construction division needs a clean slate and to start again.

Secondly, the Federal Government needs to drop its ideological objection to the construction sector having its own regulator. The abolition of the Australian Building and Construction Commission was always madness and has enabled and emboldened the increasingly appalling behaviour on our construction sites.

To say, as some ministers have, that the ABCC was only about policing “stickers on hard hats” is a farcical and deliberate misrepresentation of its role. Tens of millions of dollars of fines after court actions for countless safety breaches, unlawful disruptions and acts of horrific intimidation demonstrate that a new and separate construction sector regulator is a priority.

Thirdly, the new union right of entry laws need to be withdrawn. They will simply let the acolytes of John Setka run amok across the economy, using spurious claims about safety to force their way into worksites to intimidate small business owners, hold up production and foster discontent.

In construction, it is almost inevitable that even with the CFMEU in administration, other strongly aligned unions on site will use the powers to cause maximum disruption in retaliation for their demise.

Fourthly, governments need to urgently step in to block the CFMEU’s ongoing efforts to use its redundancy fund Incolink to force out competing funds in the sector. Incolink is simply a back doorway the union has used to levy money from employers and then funnelled millions of dollars into its accounts to fund the payment of fines ordered by the courts. The lack of oversight and regulation is astounding.

Fifthly, governments need to review their procurement rules that have wasted billions of dollars on infrastructure projects and allowed the CFMEU to flourish when it has been offered open chequebooks. The incentive is to drag projects out, not to finish them.

The productivity decline of 2.9 per cent last year in the sector is a massive drag on the economy. Funding a productivity gain in a construction enterprise agreement is virtually non-existent. Cost blow outs in infrastructure are a major driver of our inflation curse.

All of this would be helped if governments dropped their feigned shock at what has happened on construction sites. The “I knew nothing” defence demonstrates either intentional or wilful ignorance of what has occurred on their watch.

This is a line in the sand moment. The time for decisive repair is now. The union needs to be cleaned up to allow it to legally and properly act on behalf of its members. This will likely take years, but it must happen for union members, constructors and our economy to genuinely prosper.