# Rebecca Clarke, 'The Cole Royal Commission into the Building and Construction Industry'

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In January 2014 allegations of union corruption in the Australian building and construction industry made news headlines, prompting Prime Minister Tony Abbott to flag the idea of a royal commission to investigate the issue. This was, as it happens, a road Abbott had been down before. In 2001, then-Federal Workplace Relations Minister Abbott announced a Royal Commission into the Building and Construction Industry to investigate allegations of lawlessness, intimidation, corruption, and improper union behaviour. These recent headlines bring into light the controversies of the 2001 Royal Commission, and reignite old questions about the motives behind the investigation. For the Construction, Forestry, Mining and Energy Union (CFMEU), the Commission was seen as no more than a witch-hunt established to suit the Liberal Government's political ends. Indeed, many in the media and the Labor party also regarded the Royal Commission with cynicism, labelling it as political opportunism. So which was it: a genuine investigation into a corrupt industry in need of reform, or simply cosmetic – a political stunt with its eye on the next election? This paper investigates the controversy surrounding the 2001 Royal Commission into the Building and Construction Industry, and argues that while there were issues in that industry which were in need of investigation, the Commission was not successful in tackling these problems due to its overtly union focus.

## **New Millennium, Old Tensions**

At the beginning of the new millennium, Australian political debate was sowing the seeds for the Royal Commission. By 2000, the Howard-led Federal Coalition Government was in its second term in office, and had earned a reputation as an "anti-union" government intent on breaking down union strength through a number of reforms<sup>1</sup>. Legislation such as the Workplace Relations Act (1996) and the National Code of Industry Practice (1997) had already been established, placing restrictions on union activity. The Maritime Union of Australia (MUA) had been a particular focus of the Government, with the 1998 Waterfront Dispute highlighting Howard's union agenda. Despite the Waterfront Dispute resulting in a "great defeat" for the Government, further legislation directed towards the building and construction industry and its unions was yet to come.<sup>2</sup> Even amongst the Labor Party there were tensions with the union movement. After losing the 2001 federal election, senior ALP figures questioned the influence of unions on party affairs. Workplace Relations Minister Tony Abbott accused the ALP of being "too close to the union movement," and a number of ALP frontbenchers including Carmen Lawrence, Kevin Rudd and Mark Latham agreed. As a result, unions found themselves having to "defend their legitimacy as a political and social force."3

<sup>&</sup>lt;sup>1</sup> Jim Marr, First the Verdict (Annandale: Pluto Press Australia, 2003): 11.

<sup>&</sup>lt;sup>2</sup> Tom Bramble, *Trade Unionism in Australia* (Port Melbourne: Cambridge University Press, 2008), 196.

<sup>&</sup>lt;sup>3</sup> Rae Cooper, "Trade Unionism in 2001," Journal of Industrial Relations 44, no. 2 (2002): 247, 251.

As the political climate would suggest, the year 2000 is described as being a difficult time for unions, with declining membership and the power of the State constraining union activity. Some media commentators saw a "new militancy" appearing within the union movement, and there was an attendant increase in industrial disputes. 4 For the CFMEU specifically, the turn of the century was a time of tension both internally and in terms of its relationship with the Federal Government. The CFMEU was still very much a "live presence at the big CBD construction projects," however it was not without its problems. "Competitive unionism," in which unions fight for coverage of existing members, was a concern, with the CFMEU and the Australian Workers Union (AWU) being the key antagonists in such disputes.<sup>6</sup> Furthermore, the CFMEU was fraught with internal divisions. The union was strong at a state level, but there was a lack of leadership within the CFMEU national office as a result of conflict between the old Builders Labourers Federation (BLF) and Building Workers Industrial Union (BWIU) factions of the union. Nevertheless, many major contractors still turned a blind eye to the union activities of the CMFEU.<sup>8</sup> Less willing to ignore these activities, the Federal Government heightened its building and construction industry agenda in 2001.

# "The Commission Born in Controversy"

In July 2001, Workplace Relations Minister Tony Abbott announced a Royal Commission into the Building and Construction Industry to investigate allegations of corruption and improper union behaviour. Abbot had earlier declared that the building and construction industry was the "last frontier" for workplace reform, and this stance was evident in his approach to the Commission. The Federal Government's justification for establishing the Royal Commission was a ten-page report compiled at Abbott's request by the Office of the Employment Advocate (OEA) in May of that same year, alleging intimidation, rorts, and violence in the building and construction industry. The report announced that between 1997 (the year of the OEA's establishment) and 2001, 1441 complaints related to freedom of association, coercion in certified agreement making, right of entry for union organisers, and strike pay in the building and construction industry had been made. 10 The report added that "the main thrust of those allegations have involved the Construction and General Division of the CFMEU and the BLF." Indeed, each of the specific issues detailed in the report related directly to unions. These included: misuse of state operational health and safety acts; compulsory unionism; misuse of union funds; bribery; and industrial trouble. With this report as his justification, in Parliament Abbott highlighted the internal divisions within the CFMEU as a cause of the intimidation and "thuggery" in the building and construction industry, and

<sup>4</sup> Bradon Ellem, "Trade Unionism in 2000," *Journal of Industrial Relations* 43, no. 2 (2001): 196 – 197.

<sup>&</sup>lt;sup>5</sup> Bramble, *Trade Unionism in Australia*, 200.

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> "Divided We Fall," *Four Corners* (transcript of episode aired 21/05/2001) www.abc.net.au/4corners/stories/s300261.htm

<sup>&</sup>lt;sup>8</sup> Bramble, *Trade Unionism in Australia,* 200.

<sup>&</sup>lt;sup>9</sup> Rick Wallace, "Abbott to fight building rorts," *Herald Sun,* 1 May 2001.

<sup>&</sup>lt;sup>10</sup> Jonathon Hamberger, "Employment Advocate Report into the Building Industry," *Employment Advocate*, 11 May 2001, 1.

<sup>&</sup>lt;sup>11</sup> Ibid., 2.

spoke of organised crime within the union movement.<sup>12</sup> These issues were, he believed, why the Royal Commission was "one of the government's most important workplace relations initiatives."<sup>13</sup>

This argument for the Commission, however, was met with cynicism. Within Federal Parliament, Labor politicians spoke openly about their concerns. Senator Jacinta Collins for example, stated that she saw "no intellectual basis" in the Employment Advocate's report which could justify a royal commission. Senator Kim Carr expressed his concerns over the honesty and integrity of the report, suggesting that allegations of intimidation and illegal union activity diverted attention away from the real problems in the construction industry. MP Christian Zahra labelled it a "fairly shameful exercise," and MP Robert McClelland questioned why the Employment Advocate had not handed the material it had obtained in its report over to law enforcement agencies. In State Government too these concerns were echoed, with Queensland Labor Premier Peter Beattie suggesting to parliament that "when these inquiries are announced during the last part of the term of a government some cynicism can be applied to assessing the appropriateness or otherwise of the inquiry."

Many in the media also reflected Labor's opinion. The *Canberra Times* article, "PM's Latest Poll Stunt," proclaimed that "the Government's appetite for expensive election stunts continues unabated. The most recent example is yesterday's decision to launch a royal commission into the building industry." Continuing in the same vein, the *Australian Financial Review* declared that "there are more effective ways for the Government to fix the industry than by pursuing an expensive exercise that smacks of political opportunism in an election year." As for the CFMEU, former Queensland CFMEU State Secretary Wallace Trohear noted that the union had expected a commission of this sort to be announced. Labelling the Commission as a "union bashing exercise," Trohear explained that there were no expectations by the CFMEU that they'd be given a "fair go," but at the same time there was also no fear that the Commission would damage the union's operations. A contentious issue from the outset, these accusations of political opportunism and union bashing were to continue throughout the running of the Commission.

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<sup>&</sup>lt;sup>12</sup> Tony Abbott, "Workplace Relations: Trade Unions," House of Representatives, *Parliamentary Debates* [Federal Hansard], 20 June 2001, 28,099.

<sup>&</sup>lt;sup>13</sup> Tony Abbott, "Royal Commission into the Building and Construction Industry," House of Representatives, *Parliamentary Debates [Federal Hansard]*, 20 August 2002, 5203.

<sup>&</sup>lt;sup>14</sup> Jacinta Collins, "Department of Employment, Workplace Relations and Small Business: Employment Advocate," Senate, *Parliamentary Debates [Federal Hansard]*, 6 August 2001, 25,633.

<sup>&</sup>lt;sup>15</sup> Kim Carr, "Department of Employment, Workplace Relations and Small Business: Employment Advocate," Senate, *Parliamentary Debates [Federal Hansard]*, 6 August 2001, 25,635.

<sup>&</sup>lt;sup>16</sup> Christian Zahra, "Royal Commissions and Other Legislation Amendment Bill 2001," House of Representatives, *Parliamentary Debates [Federal Hansard]*, 30 August 2001, 30,628.

<sup>&</sup>lt;sup>17</sup> Robert McClelland, "Royal Commissions and Other Legislation Amendment Bill 2001," House of Representatives, *Parliamentary Debates [Federal Hansard]*, 30 August 2001, 30,631.

<sup>&</sup>lt;sup>18</sup> Peter Beattie, "Building Industry Inquiry," *Legislative Assembly [Queensland Hansard]*, 9 August 2001, 2429.

<sup>&</sup>lt;sup>19</sup> "PM's Latest Poll Stunt," Canberra Times, 27 July 2001.

<sup>&</sup>lt;sup>20</sup> "Cornerstones for Construction Unions," *The Australian Financial Review,* 30 July 2001.

<sup>&</sup>lt;sup>21</sup> Wallace Trohear, interviewed by Rebecca Clarke and Rodney Sullivan, *Queensland Speaks*, January 23 2014, http://www.queenslandspeaks.com.au/wallace-trohear.

## **The Commission Underway**

Headed by retired Supreme Court Justice Terrence Cole, hearings began in Melbourne on the 10<sup>th</sup> of October, 2001. Over the course of the Commission's duration hearings took place in all Australian capital cities, and public hearings concluded on the 18<sup>th</sup> of October, 2002. Just as the Commission's establishment had been controversial, so too were its proceedings. The CFMEU was widely accepted to be the principle target of the Commission, and union claims suggested that over 90 percent of hearing time was taken up by "anti-union" topics. 22 This led to allegations of bias within the Commission and accusations that important issues were being overlooked in the hearings in favour of a more specific political agenda. National Secretary of the CMFEU, John Sutton argued that the Commission had "gravely misrepresented" workers and their voices, <sup>23</sup> and added that "a Royal Commission that openly tackled the real issues would have the whole-hearted support of the CFMEU and building workers who would start to see some value in an inquiry that could make their jobs better and safer "24

Writing on the nature of royal commissions, Jim Marr explains that:

"Unlike courts, royal commissions are not bound to give free reign to relevant contending views, nor to provide parties with the normal protections offered under common law. Hearsay evidence, rumour and opinion are freely allowed and relied upon under royal commissions."<sup>25</sup>

This was to be a contentious issue in the Royal Commission into the Building and Construction Industry, and contributed greatly to the unions' accusations of bias. Crossexamination was of particular concern, with union representatives arguing that they should to be able to cross-examine their accusers at the time that allegations were made. When confronted with the accusations of bias, however, Abbott responded with criticism of the CFMEU and its lack of cooperation with the Commission, suggesting that the CFMEU was trying to intimidate the Commission through strike action.<sup>26</sup> Indeed, a number of union protests did take place during the span of the Commission's hearings, particularly in Melbourne and Perth. Demonstrations were evident in a number of cities at the commencement of Commission hearings, with the venue of the Melbourne hearings being changed twice "amid concerns about disruptions from mass protests by building workers."<sup>27</sup> In Perth, where protests were particularly conspicuous, Western Australia branch secretary for the CFMEU Kevin Reynolds emphasised that the union would take a "no co-operation stance" except where bound to by law. 28 Abbott used incidents such as these to defend the

<sup>&</sup>lt;sup>22</sup> Rae Cooper, "Trade Unionism in 2002," Journal of Industrial Relations 45, no. 2 (2003): 215. <sup>23</sup> Paul Robinson, "Cole rejects union's bias accusation," *The Age*, 7 September 2002.

<sup>&</sup>lt;sup>24</sup> John Sutton, "Union sees little value in building inquiry," *The Newcastle Herald*, 24 June 2002.

<sup>&</sup>lt;sup>25</sup> Jim Marr, *First the Verdict,* 16.

<sup>&</sup>lt;sup>26</sup> Tony Abbott, "Workplace Relations: Industrial Action," House of Representatives, *Parliamentary Debates* [Federal Hansard], 21 March 2002, 1893.

27 Katharine Murphy and Mark Skulley, "Melbourne workers vent inquiry anger," The Australian Financial

Review. 10 October. 2001.

<sup>&</sup>lt;sup>28</sup> Peter Klinger, "CFMEU targets Cole royal commission," *The Australian Financial Review*, 18 March 2002.

Commission's legitimacy, stating that "the anti-union allegations were never very plausible" due to the unions' refusal to cooperate.<sup>29</sup>

# The Commission in Queensland

The Commission's Queensland hearings took place in Brisbane from the 14<sup>th</sup> of January to the 4<sup>th</sup> of February, the 15<sup>th</sup> to the 24<sup>th</sup> of April, and the 5<sup>th</sup> to the 9<sup>th</sup> of August, 2002. During those hearings, evidence of 30 specific incidents in the Queensland building and construction industry were presented. In Queensland, the CFMEU took a more co-operative stance than in Western Australia, through attending when required and providing statements and responses to allegations.<sup>30</sup> Trohear acknowledged this higher level of co-operation in Queensland, adding that the Queensland branch of the CFMEU was the only one to provide a submission to the Commission.<sup>31</sup>

Information about specific incidents, as well as general statements, were heard in Queensland. Two principal disputes which were examined were the Nambour Hospital dispute, and the Sun Metals dispute. The former, which occurred between May and July 2001, was a dispute between JM Kelly (Project Builders) and the major building and construction unions in Queensland, including the CFMEU. Cole writes in the Commission's final report that the Nambour dispute "is significant because it illustrates the consequences of attempting to resist the prevailing consensus in the Queensland building and construction industry."<sup>32</sup> The Sun Metals dispute, taking place in Townsville in 1999, again involved a number of Queensland's major building unions, including the CFMEU and the BLF in particular. This dispute took place over an enterprise bargaining agreement with Sun Metals, from which the CFMEU and the BLF were excluded. Cole wrote of this dispute that, among a number of matters, this case illustrated "disregard by unions for the truth in furthering industrial purposes," "the fostering of unrest among workers for the purposes of furthering a union's desire for power and membership," and "the disregard for industrial laws by unions."33 Trohear noted that these were not typical of disputes in Queensland, and that they gave the 'wrong' impression of the building industry. He explained that "from my knowledge, from my 30 years' experience as an official, they are two of the three most vicious disputes that have happened in the industry. They were largely brought about, I might add, by competing employer organisations."<sup>34</sup> During his hearing, Trohear discussed companies which were "underpaying wages and entitlements as well as avoiding tax and

<sup>&</sup>lt;sup>29</sup> Tony Abbott, "Restoring the Rule of Law in the Construction Industry," *Institute of Public Affairs* 55, no. 1 (2003): S1-1.

<sup>&</sup>lt;sup>30</sup> Jim Marr. First the Verdict. 30.

<sup>&</sup>lt;sup>31</sup> Wallace Trohear, interviewed by Rebecca Clarke and Rodney Sullivan, *Queensland Speaks*, January 23 2014, http://www.queenslandspeaks.com.au/wallace-trohear.

Terrence Cole, "Hearings – Queensland Part 2," Final Report of the Royal Commission into the Building and Construction Industry, 24 February 2003, 8.

<sup>&</sup>lt;sup>33</sup>Terrence Cole, "Hearings – Queensland Part 2," Final Report of the Royal Commission into the Building and Construction Industry, 24 February 2003, 289.

<sup>&</sup>lt;sup>34</sup> Wally Trohear, "Employment, Workplace Relations and Education References Committee," Senate, *Official Committee Hansard*, 24 February 2004, 58.

insurance premiums because of sham contracting schemes,"<sup>35</sup> as well as the issue of health and safety and the levels of suicide in the building and construction industry.<sup>36</sup> However, as had occurred in the other states, Trohear felt that these particular issues had not been given the Commission's full consideration.<sup>37</sup>

In Queensland, it was not only the unions which were at odds with the Federal Government. During this period, the relationship between the Federal Government and the State Labor Government was strained over the latter's union ties. Tony Abbott had already called for the Labor Party nationally to revise the 60:40 rule of union membership in the ALP, and criticised the Queensland Labor Party specifically for its changes to union voting rules in which "unions get more votes for bigger donations." This unease was heightened by the Commission, and with these tensions in mind, the Federal Government warned State Labor Governments of the consequences of not co-operating with them over union restrictions. Abbott expressed the Federal Government's stance, explaining that "State Labor governments which have made a point of their middle ground credentials risk losing some \$4 billion a year in federal building and construction grants if they side with the union movement's most militant minority." As discussed previously, Queensland Premier Peter Beattie shared the Federal Labor party's concerns over the political nature of the inquiry. He expressed his belief that improper behaviour in the building and construction industry should indeed be exposed, but at the same time he hoped the strength and economic recovery of the industry would not be affected and that the industry could "get on with the job." Following the release of the final report in 2003, Beattie announced to the parliament that "we believe that the report was a political witch-hunt and a political exercise," and stressed his support for his ministers and the enterprise bargaining process.<sup>41</sup>

This case study of the hearings in Queensland illustrates what is seen by many as one of the major flaws of the Commission; the concern that important issues in the building and construction industry being overlooked in favour of predominantly union-focused issues. As will be seen, this concern was amplified with the release of the Commission's findings and recommendations.

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<sup>&</sup>lt;sup>35</sup> Rada Rouse, "Qld – Construction companies robbing taxpayers – union," *Australian Associated Press*, 18 April 2002.

<sup>&</sup>lt;sup>36</sup> Wallace Trohear, "Employment, Workplace Relations and Education References Committee," Senate, *Official Committee Hansard*, 24 February 2004, 75.

<sup>&</sup>lt;sup>37</sup> Wallace Trohear, interviewed by Rebecca Clarke and Rodney Sullivan, *Queensland Speaks*, January 23 2014, http://www.queenslandspeaks.com.au/wallace-trohear.

Tony Abbott, "Workplace Relations: Policies," House of Representatives, *Parliamentary Debates [Federal Hansard]*, 6 June 2001, 27,404.

<sup>&</sup>lt;sup>39</sup> Tony Abbott, "Restoring the Rule of Law in the Construction Industry," *Institute of Public Affairs* 55, no. 1 (2003): S1-4.

<sup>&</sup>lt;sup>40</sup> Peter Beattie, "Building Industry Inquiry," *Legislative Assembly [Queensland Hansard]*, 9 August 2001, 2429. <sup>41</sup> Peter Beattie, "Cole Royal Commission into Building Industry," *Legislative Assembly [Queensland Hansard]*, 2 April 2003, 1110.

#### What was learned?

The results of the year-long, \$60 million Royal Commission were published in a 23-volume final report in March 2003. In it were found 230 instances of unlawful conduct in Western Australia, 58 in Victoria, 55 in Queensland, 25 in New South Wales, and 13 in Tasmania.<sup>42</sup> On an individual level, the Commission found that 23 union officials and 8 employers or employer organisations may have committed criminal offences. 43 Cole wrote that there was "an urgent need for structural and cultural reform," 44 and that "there must be clarity and certainty regarding what constitutes unlawful industrial action."45 Abbott stated that "evidence presented to the Commission has amply justified the government's concerns," and cited issues such as intimidation, threats and illegal payments to secure industrial peace as being present in the industry. 46 Amongst the findings of the Commission was also the suggestion that existing law enforcement agencies lacked the expertise and resources to tackle the industry. As a result, one of the major recommendations of the Commission was to establish a taskforce to "ensure zero tolerance of industrial law-breaking." This led to the establishment of the Australian Building and Construction Committee (ABCC) in 2005, whose job was to monitor workplace relations in the building and construction industry.

Abbott urged the unions to "give the report a fair hearing." The CFMEU, which had accused the Commission of bias throughout the hearings, remained steadfast in its position after the report had been released. Trohear criticised the Commission's accusations of 'lawlessness' within the union movement, arguing that the issue of lawlessness in aspects of the industry other than the unions was "totally ignored." Other criticisms included the trivial nature of some of the findings, such as the level of jaywalking in the industry, and Cole's disconnection with the "real world" in terms of understanding the nature of industrial disputes.<sup>50</sup> The Labor Party, too, questioned the Commission's findings. Reflecting on the report, MP Robert McClelland noted that 87 percent of the Commission's specific findings of unlawful conduct were against workers and unionists, and he found it hard to believe that this was the result of a "fair and balanced" inquiry. He criticised the report, stating "Australians will rightly be outraged if they think that the Howard government has spent \$60 million just to bash building unions while ignoring corporate misbehaviour."51 Both unionists and Labor

<sup>&</sup>lt;sup>42</sup> Andrew Murray, "Building and Construction Industry: Royal Commission," Senate, *Parliamentary Debates* [Federal Hansard], 26 March 2003, 10,238.

43 Bruce Hearn Mackinnon, "Employer Matters in 2003," Journal of Industrial Relations 46, no. 2 (2004): 232.

<sup>&</sup>lt;sup>44</sup> Terrence Cole, "Summary of Findings and Recommendations," Final Report of the Royal Commission into the

Building and Construction Industry, 24 February 2003, 3. <sup>45</sup> Ibid., 4.

<sup>&</sup>lt;sup>46</sup>Tony Abbott, "Royal Commission into the Building and Construction Industry," House of Representatives, Parliamentary Debates [Federal Hansard], 20 August 2002, 5203.

<sup>&</sup>lt;sup>47</sup> Tony Abbott, "Restoring the Rule of Law in the Construction Industry," *Institute of Public Affairs* 55, no. 1 (2003): S1-3.

48 Malcolm Cole, "Building union officials brace for tough findings," *Courier Mail*, 25 February 2003.

<sup>&</sup>lt;sup>49</sup> Wallace Trohear, interviewed by Rebecca Clarke and Rodney Sullivan, *Queensland Speaks*, January 23 2014, http://www.queenslandspeaks.com.au/wallace-trohear. <sup>50</sup> Ibid.

<sup>&</sup>lt;sup>51</sup> Tony Abbott, "Royal Commission into the Building and Construction Industry," House of Representatives, Parliamentary Debates [Federal Hansard], 26 March 2003, 13,502.

politicians slammed the report for its lack of focus on issues such as workplace health and safety, illegal immigrant labour, and underpayment of workers; however, the Federal Government disagreed. Senator Santo Santoro shared his belief:

"The report by Commissioner Cole is not union bashing; it is a forensic examination of widespread ills in the construction industry in this nation... Obviously there are many instances that have not been examined, because the evidence to force an examination was not discovered." <sup>52</sup>

## Tony Abbot agreed:

"Those claiming yesterday that the royal commission had neglected safety, tax avoidance and illegal workers should have turned off their political autopilot and judged the report on what it actually says. The report makes 19 recommendations on safety issues, 20 recommendations on pursuing tax dodgers and 33 recommendations about protecting worker entitlements."  $^{53}$ 

In terms of the impact of the Commission's findings and recommendations on the operations and reputation of the CFMEU, Trohear insists that there were no lasting negative effects. No prosecutions were made, and there was no impact on union membership. On the subject of union membership Trohear even suggests that the Commission gave the CFMEU positive publicity, as a survey of non-union members showed that if they were to join a union many would join the CFMEU due to its strong industry presence.<sup>54</sup> Reflecting on the recommendations of the Commission, Trohear explained that the CFMEU did not see the ABCC as "the way to go," as the taskforce set up in the wake of the Commission had since achieved few results. He continued:

"Although there was a lot of hoo-ha about charges to be laid, as yet no-one has been charged in Queensland following the Cole royal commission - and I suspect no-one will be... It probably would have saved many public dollars in the first place if Mr Cole had allowed parties to question witnesses rather than his making recommendations which I would be almost 100 per cent confident will have no substance to them at the end of the day and will not lead to any prosecutions of any form within this state."

The lack of prosecutions was cited as a failure of the Commission, and was used to question the legitimacy of the inquiry. It was felt by many that if a royal commission had truly been necessary, more criminal charges would have been laid. This argument has been revitalised in 2014, following fresh allegations of building union corruption.

Despite the announcement of the Commission being seen by many as a political ploy, considering its proximity to the 2001 Federal Election, it had little bearing on the key

Tony Abbott, "Royal Commission into the Building and Construction Industry," House of Representatives, *Parliamentary Debates [Federal Hansard]*, 27 March 2003, 13,745.

Santo Santoro, "Building and Construction Industry: Royal Commission," Senate, *Parliamentary Debates [Federal Hansard]*, 26 March 2003, 10,240.
 Tony Abbott, "Royal Commission into the Building and Construction Industry," House of Representatives,

<sup>&</sup>lt;sup>54</sup> Wallace Trohear, interviewed by Rebecca Clarke and Rodney Sullivan, *Queensland Speaks*, January 23 2014, http://www.queenslandspeaks.com.au/wallace-trohear.

<sup>&</sup>lt;sup>55</sup> Wallace Trohear, "Employment, Workplace Relations and Education References Committee," Senate, *Official Committee Hansard*, 24 February 2004, 58.

campaign issues. The second half of 2001 brought with it a number of unprecedented events, including the September 11 terrorist attacks, the Children Overboard and Tampa incidents, and the collapse of Ansett Australia. Thus, if the announcement of the Commission had been intended by the Government to have political sway in the election, it did not eventuate. In the 2004 Federal Election, the first election after the results of the Commission had been released, industrial relations again were not a key issue, with the economy and national security taking centre stage. However, with the Coalition gaining control of the Senate following the 2004 election results, Howard announced that a number of industrial relations bills which had previously been blocked would now be passed through. This led to the implementation of the controversial *Workplace Relations Amendment Act* (2005), popularly known as *Work Choices*, which would become a prominent issue in the 2007 Federal Election and ultimately played a part in the Coalition's defeat.

## A Sense of Déjà Vu

In a case of what must seem like déjà vu for the industry, in January 2014 allegations of corruption in the CFMEU again made national headlines. Prime Minister Abbott is once more flagging the idea of a royal commission, and this time specifically into union corruption. The same statements have been reproduced by both sides of the debate – the Federal Government is calling for the exposure of "an endemic culture of corruption," while the unions again call it out as a "political witch-hunt." The ABCC, abolished by Labor in 2012, is hoped by Abbott to be re-instated. Meanwhile, Labor is mindful of the previous Commission, with workplace relations spokesperson Brendan O'Connor arguing:

"The royal commission that was set up by the Howard Government spent \$66 million of taxpayers' money and never had one prosecution in the criminal jurisdiction... So we're very mindful of how much... taxpayers' money should be spent to create a body when the police are there." 58

This statement, which follows closely Trohear's opinion over the lack of charges laid as a result of the Commission, gives an insight into how the 2001 Royal Commission is seen by many: a costly operation, with seemingly little pay-off. Thus, memories of the earlier Commission are impacting on arguments against the suggestion of another investigation more than a decade later. Indeed, the 2014 episode has already proven itself to be a ready vehicle for revisiting the motives and controversies of the Royal Commission into the Building and Construction Industry.

#### Conclusion

It was clear from the outset that the 2001 Royal Commission into the Building and Construction Industry would be fraught with controversy. The Federal Government's track record with the building and construction unions resulted in inevitable cynicism from its

<sup>56</sup> James Massola and Judith Ireland, "Tony Abbott Flags Royal Commission into Union Corruption," *Sydney Morning Herald*, 28 January 2014.

<sup>&</sup>lt;sup>57</sup> Lexi Metherall, "ACTU rejects Government's call for royal commission into construction industry corruption," *ABC News*, 29 January 2014.

<sup>&</sup>lt;sup>58</sup> "Tony Abbott pushes for return of Australian Building and Construction Commission following union corruption claims," *ABC News*, 28 January 2014.

opposition over the motives behind the establishment of the Commission. It is accepted that all parties involved agreed that there were serious issues within the building industry. The problem was that each had a differing idea of which of these issues were most important. Ultimately, the Federal Government's union-heavy focus led to the Commission's failings: this perceived "attack" on the CFMEU resulted in a lack of co-operation, and seemingly a missed opportunity to uncover problems in the building and construction industry. In terms of political pay-off too, the Commission was somewhat lacklustre, with industrial relations issues holding little presence in the 2001 and 2004 election campaigns. Nevertheless, the resurgence of these issues in recent news headlines seems fated to replay the controversies of the Royal Commission, and with Abbott intent on another union-focused inquiry, the old tensions between the CFMEU and the Federal Government are set to reappear on the national stage yet again.

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