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## Unions with sites set on standover

**A lot of the interest in the Royal Commission into Union Corruption centres on whether Julia Gillard received money out of the AWU slush fund for renovations on her house. She denies it. In due course the Commission will hand down its findings. It will be intriguing to find out where all the money went.**

But let's not overlook the equally interesting issue of how the money was raised.

It is not disputed that former AWU official, Bruce Wilson, set up the "AWU Workplace Reform Association" with the aid of his then girlfriend Julia Gillard, as solicitor. This body billed Thiess, a construction company, several hundred thousand dollars for providing training services. The money was duly paid. The trouble is that no-one can remember the services being delivered.

You might think that a reputable company like Thiess, after paying such a large sum (and remember it was a lot more back in the early 1990s) would want to see some value for its money. But Thiess never showed interest in training sessions, which employees would attend them, and what skills they would learn.

You might think that Mr Wilson would want to deliver his side of the contract, that he would schedule training and get feedback from those supplying and receiving such expensive services. He might remember the material that was taught, or the Handbook that was used. But he can't. The Official he nominated as providing the services (now dead) said he never delivered services in a statement released at the Royal Commission.

Mr Wilson, his associates, the other members of the Workplace reform Association- nobody showed any interest in what was being purchased here.

Which tells us the contract was never about training. It was never about safety. It was never about workplace reform.

We know some of the money was used to buy a house. Depending on who you believe some of it was used for internal union elections, some of it was buried in a Western Australian back yard.

So what about Thiess? If it wasn't paying for training services what did Thiess think it was buying?

It's quite simple really. Thiess was buying industrial peace. Stoppages and disputes on building sites cost builders a packet. If a builder can minimise stoppages it can minimise construction costs. Keeping the Union happy goes a long way towards that.

It was no accident the training was said to be in relation to safety. Under Occupational Health and Safety laws a union can stop work at a site if it finds a safety issue. If a union wants to punish an Employer it can find all manner of "safety issues" on a building site. I was involved in an industrial dispute once about third party contractors. When the Union announced that unless the contractors were banned it would make it "the safest site in Australia," everyone knew what it meant. It meant the site would be plagued with stoppages until the industrial demands were met.

Paying into the "AWU Workplace Reform Fund" was vital if Thiess wanted to get its projects finished on time. So what should we call this transaction? A shakedown? A standover racket?

In Australia it is called unionism.

The Royal Commission might have other words for it.

There were people in the AWU that were horrified that money raised in this way was being paid into an account that was not controlled by the Union. Julia Gillard's Law Firm were the solicitors for the Union. They took a dim view of her activities in helping set up this unauthorised Account. But the Union seemed much more interested in who was controlling the money than how it had been raised.

And if Gillard's assistance in this activity worried anybody in the Labor Party then it didn't blot her copybook for very long. After leaving the Law Firm as a result of this episode she was promptly shoehorned into Parliament.

When Julia Gillard deposed Kevin Rudd to become Leader of the Labor Party in 2010, she had no stronger allies than the officials of the AWU. The AWU Secretary, Paul Howes, went on Television to give her live support as the coup was mounted. He made it clear to any wavering MPs that the Union was backing her.

When she was under attack from the Rudd forces later in 2013 Howes told her, at the AWU National Conference "We've got your back". It didn't seem to worry Howes, or his predecessor Bill Shorten or any of the other "Powerbrokers" of the AWU that Gillard had done the legal work to help Bruce Wilson with his clever little scheme to raise money from builders. Perhaps they regarded the events of the "AWU Workplace Reform Association" as a bonding experience.

Before becoming Prime Minister, Gillard proved very useful to Unions, including the AWU, as Minister for Workplace Relations. One of the things she did was to reduce legal controls against militant unions in the Building industry.

The ability to promote members into Parliament has given Unions a lot of political clout. In Government, Labor has been able to confer Unions with all sorts of legal privileges. It has allowed unions to practice the kind of conduct that would not be tolerated if it came from individuals or ordinary corporations.

Corruption usually flourishes when a party has the opportunity to exercise arbitrary power.

That's something for the Royal Commission to get to the bottom of.