

# Transcript



**MASTER BUILDERS**  
A U S T R A L I A

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**INTERVIEW WITH WILHELM HARNISCH, CEO OF MASTER BUILDERS AUSTRALIA.**

**FINAL REPORT, ROYAL COMMISSION INTO TRADE UNION GOVERNANCE AND CORRUPTION.**

**MARIUS BENSON (POLITICAL EDITOR):** Well there are calls for a shake-up of Australia's often turbulent building industry following the release of the report of the Royal Commission into trade union governance and corruption.

The building and construction industry was identified as the worst industrial arena with the key building union the CFMEU the target of fierce criticism. Employers from that industry were also the subject of some criticism and, for their view, I'm joined by Wilhelm Harnisch, CEO of Master Builders Australia.

Wilhelm Harnisch, Good Morning.

**WILHELM HARNISCH (CEO OF MASTER BUILDERS AUSTRALIA):** Good Morning Marius.

**MARIUS BENSON:** So can I begin with asking you about some criticism that has come back from the CFMEU. It was hit pretty savagely by the Royal Commission report but the CFMEU National Secretary Dave Noonan said that, "while the Royal Commission was investigating corruption allegations against us, 30 construction workers died on Australian building sites during that 21 month period. Why doesn't the Government look into that?"

Is that a fair point?

**WILHELM HARNISCH:** Any death on any building site is highly regrettable and for our industry safety is paramount on building sites.

But raising that important issue in this context misses the whole point about the Royal Commission. What the Royal Commission has shown is that the CMFEU has an ingrained culture that allows criminality and corruption to flourish. Tackling this problem will be help the union to better serve its members.

That reality is being missed by the CFMEU and you can understand why because it's flattering to them.

**MARIUS BENSON:** The Royal Commission has made a number of recommendations to tackle the malpractice they have identified. What do you think are the most important to implement?

**WILHELM HARNISCH:** Marius, a high priority is the restoration of the Australian Building and Construction Commission – the ABCC. That’s been sitting in the Senate for some time and can be implemented quickly.

It needs the support of the Senate cross bench to pass the Bill and that’s why we’re saying to the cross bench Senators that the evidence exposed by the Royal Commission is very compelling; the Royal Commission has identified the ABCC as something that can successfully change the CFMEU’s ingrained culture of corruption and criminality.

We are saying to the cross bench senators that they have an obligation to rid their community and the economy of this industrial cancer that is cheating people out of schools, hospitals and childcare centres by driving up construction costs.

**MARIUS BENSON:** The Prime Minister, after the release of the Report was talking about an early election on the ABCC if the Senate does not cooperate. Would you like to see that? Would you like to see it come a key central issue of an election campaign?

**WILHELM HARNISCH:** Yes absolutely this should be a key election issue. The timing of the election is obviously something for the Prime Minister to decide.

**MARIUS BENSON:** One of the points being made by the unions is that if there is corruption it takes two to engage in it and that employers were party to any corruption. That was also a point made by Commissioner Heydon himself in the Report.

**WILHELM HARNISCH:** Yes that point was made by the Commissioner and in fact he made it on many occasions in the Report.

But it has to be remembered that in most cases the employers who pay the so called bribes do so under duress from the union. The union knows they have contractors over a barrel because they are very commercially vulnerable to liquidated damages and other tactics which threaten their livelihoods.

For example it’s common practice just before a project is due to finish for the union to put on particular claims as a trade-off between a contractor either paying a million dollars a day in liquidated damages or simply paying one hundred thousand dollars for industrial peace.

**MARIUS BENSON:** Well that money is a bribe. You called it a so called bribe, it’s a bribe isn’t it?

**WILHELM HARNISCH:** Well yes it's a bribe by the unions.

**MARIUS BENSON:** It's a bribe paid to the unions.

**WILHELM HARNISCH:** Yes the employers make a commercial decision either to pay massive liquidated damages if the union prevents them from completing the project on time, or making sure they can finish projects early by paying the union undercover payments.

**MARIUS BENSON:** Would you support the Royal Commission's recommendation to impose 10 year jail terms on people who pay bribes?

**WILHELM HARNISCH:** There needs to be a comprehensive approach. There are two parties involved, one who is forced to pay bribes and the other who extorts it. So laws should apply to both parties not just to one.

**MARIUS BENSON:** So they should apply to employers as well as unions? Obviously you are the peak employer body so that's that I am putting the question to you.

**WILHELM HARNISCH:** Look, when the ABCC was previously in place it held employers equally responsible.

**MARIUS BENSON:** And do you believe this Royal Commission will be a watershed in your industry? Or will it be just another punctuation point with business proceeding pretty much as usual?

**WILHELM HARNISCH:** Marius this Report needs to be watershed. It's an opportunity for the Parliament to rid the community of a cancer that undermines the economy. It's an opportunity for the cross bench senators to demonstrate leadership, for them to stand up for their community and stop the CFMEU cheating them out of more schools, hospitals and childcare centres.

**MARIUS BENSON:** Wilhelm Harnisch, CEO of Master Builders Australia, thank you very much.