Super-union merger threatens jobs and productivity: Cash

The Turnbull government will seek to thwart the merger of the nation’s two most militant unions, as it pushes ahead with plans to pass laws subjecting union amalgamations to a public interest test.

The national council of the Maritime Union of Australia voted this week to endorse a proposed merger with the Construction, Forestry, Mining and Energy Union.

MUA national secretary Paddy Crumlin said yesterday union members were expected to vote on the proposal by February and he believed the new left-wing super-union could be operational by the middle of the year.

But Employment Minister Michaelia Cash said yesterday the proposed merger threatened employment growth and productivity. She said the government was committed to introducing legislation subjecting unions to the public interest test.

The MUA has said the CFMEU merger was “not a one-off” and it was willing to have amalgamation talks with the Transport Workers Union, the Rail, Tram and Bus Union and the Australian Workers’ Union.

One of the criteria under the proposed public interest test would be a union’s “history of compliance with workplace laws”, casting doubt on the capability of the MUA and CFMEU to get the merger approved, given their record of civil law breaches.

“The government remains committed to this important reform,” Senator Cash said. “The fact that two of the most militant unions in Australia are proposing to merge is extremely concerning.

“TThe potential merger of further unions to cover the majority of transport logistics across Australia should concern all Australians,” the minister said.

“This represents a major threat to productivity, jobs growth and economic prosperity.”

The proposed public interest test, which followed lobbying from employer groups concerned at the industrial capacity of the combined unions, was contained in Senator Cash’s response in June to the trade union royal commission.

But the public interest test was not recommended by royal commissioner Dyson Heydon.

The leaders of the CFMEU’s construction division in all but one state were re-elected unopposed yesterday as the union rejected the commission’s findings.

Australian Mines and Metals Association chief executive Steve Knott said yesterday that union amalgamations should be brought into line with the rules for corporate mergers.

“The minister is right to question whether the proposed merger of the country’s two most proudly militant unions would be in the national interest,” Mr Knott said.

“Given the unions’ well-documented militant tactics, resource employers are concerned a merged CFMEU-MUA is calculated to target the entire major project supply chain.”

Mr Crumlin said the merger was in the public interest.

“We are not interested in a continuing cold war,” he said. “They should decide if they want to be an ideological hit squad or be in government.”

The timing of the proposed public interest test bill is unclear, University of Adelaide law professor Andrew Stewart said there was no reason the proposed legislation could not be drawn up to allow the merger to be knocked over after it was approved by union members.