

SATURDAY



CONCRETE BRUISES

John Setka and his militant building union are in the crosshairs

BLACKMAILING bully or harrikin champion of workers? John Setka, the Victorian secretary of the powerful Construction Forestry Mining and Energy Union, polarises opinions more than most senior politicians. The number one target at this week's royal commission in Melbourne has been accused of running his union like an army and

STEPHEN DRILL

being the head of a criminal conspiracy. But the man himself makes no apology for what he calls his "passionate fight for safety".

On one point, all sides agree: Setka has wielded enormous power in Melbourne.

His union has had a virtual monopoly on the supply of labour on building sites. Almost every apartment and office block under

construction in the city, with the exception of Grocon's sites, have a strong CFMEU presence.

No ticket, no start. But how he has wielded this power, and how the union came by it, is now the subject of explosive commission hearings.

Mr Setka was once an official with the Builders Labourers Federation, deregistered in 1986 by then Labor premier John Cain following claims of corruption and

intimidation aired at a royal commission.

Now, decades later, history appears to be repeating itself.

There's another royal commission — the third since the '80s — and there are calls to deregister the CFMEU.

Some would argue the CFMEU is merely the BLF rebranded. On Wednesday, jaws dropped at the commission when Boral chief executive Mike Kane entered the

witness box and spent 30 minutes giving evidence.

The Bronx bruiser said Mr Setka had blackmailed his company, costing it \$8 million in 18 months.

The dispute? Boral refused to stop supplying concrete to Grocon sites. Grocon is owned by Mr Setka's arch enemy, Daniel Grollo.

That was the tip of the iceberg of claims against Mr Setka, who looks to be in the inquiry's crosshairs. **CONTINUED NEXT PAGE**



EMPIRE UNDER SIEGE

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The commission heard Mr Setka told Boral staff: "We're at war with Grocon, and in a war you cut the supply lines."

"All wars end and, once peace is established, the CFMEU will be at the table to divide up the spoils. The CFMEU will decide who gets what and what market share Boral will get."

A message Mr Setka, who is of Croatian background, left on a builder's phone was also played: "Leigh, it's John Setka. Can you please give me a ring about this f---ing dog Turkish f---ing painting piece of s--- on your job."

Mr Setka has had Mr Grollo in his sights since the building giant made a stand against the union in 2002. In a speech he, not the union, would control his sites. That made Grocon the CFMEU's public enemy number one.

The union's 16-day blockade of Grocon's Emporium building site in 2012 was a low point in industrial relations in Victoria. Yesterday, Mr Grollo maintained his hard line. He said he would not allow the CFMEU to appoint its safety representatives, who could then use their influence to exert control over a project.

"They want to manipulate our workplace, manipulate workspaces in the construction industry, to implement to run, their business model," he said on ABC Radio.

"Why should the bullying and the threats and the intimidation and the unexplained sabotage occur, and be excused, on a building site when they're not in any other workplace in society?"

"It's just unacceptable." The Herald Sun has been asking Mr Setka for an interview for months.

He has refused, and did not accept an offer to answer

written questions. But two years ago, at the height of the Grocon dispute, he did sit down with this reporter.

Back then, he said his imposing 193cm frame, not his behaviour, was responsible for his tough reputation.

"That's where they get that 'thug' thing," he said.

"They say 'He's a standover man, he's a gangster.' Who have I stood over? Bring me people ... and bring evidence of who I have stood over. It's very easy to throw s---," he said.

He said he counted underworld figure Mick Gatto, who was acquitted in 2005 of murdering hitman Andrew "Benji" Veniamin, as a friend.

Mr Setka said Gatto was an "absolute gentleman". "When he does a deal, he sticks to it. He's a million times more honourable than employer representatives."

Mr Setka has been waging war with builders for almost 30 years.

In 1990, he spent 30 days in jail after being convicted of contempt of court.

He has admitted to his fair share of court appearances, relating to his union activities, but denied he had been convicted of assault.

Mr Setka began work as a labourer after getting a leg-up from his crane driver father, Bob.

Bob Setka was one of the 18 survivors of 1970's West Gate Bridge disaster, in which 35 workers were killed when a span of the bridge collapsed during construction.

Soon after John Setka began his working life in the building industry, he became an official with the BLF. After it was deregistered, the CFMEU

became a new home to many of the BLF's key officials.

Today, almost three decades after the BLF's demise, former premier Jeff Kennett says the CFMEU's time is now also up.

"Regardless of the hearings at the commission, there is enough evidence for the CFMEU to be deregistered in the same way as the BLF."

"This is about our capacity to attract investment and to grow," Mr Kennett said.

"Melbourne is the most expensive city in our country to build, all because of industrial action and intimidation," he said.

Chris Mazzotta runs Independent Contractors, a union-busting outfit that has been locking horns with the CFMEU and Mr Setka since the 1980s.

"They've got no respect for the law," Mr Mazzotta said. "In light of what has

happened in the last month or so, the Boral blackban and countless successful

prosecutions of the CFMEU, someone like John Setka should be held accountable for their actions," he said.

Mr Mazzotta blamed large building companies for the union's power, saying they had turned a blind eye to its standover tactics.

But while construction companies such as Grocon and Boral have raised serious complaints about the union and Mr Setka, the union's 30,000 members can now afford to buy new utes.

The CFMEU won a 20 per cent pay rise in their last enterprise bargaining deal, and will be lining up to take another shot at the Master Builders Association when it negotiates a new deal early next year.

It will be Mr Setka's first at the head of the bargaining table

and will be a test of whether his ability to organise a protest will translate into the fine detail of negotiating each line of a complex pay agreement.

But he's starting at the top of a mountain. A "peggy" — the worker who holds a Stop and Go sign outside a building site — can earn \$155,000 to \$165,000 a year with overtime, building industry figures have confirmed.

The average total annual earnings for full-time employees is \$74,760, according to Australian Bureau of Statistics figures released in February.

Troy Gray, the secretary of the Electrical Trades Union, said Mr Setka was respected by his members and by the union movement.

"If John Setka wore a suit and sat in an office, you wouldn't be reading about him," he said.

"I — like most of his members — hold him in high regard. When you put his emotion aside, he has done a tremendous job welding together the CFMEU as it stands today."

High-profile priest Father Bob Maguire also puts in a good word for Mr Setka, who has sponsored his food van through the union.

"He uses street language, but do you know what? He says exactly what he means," he said.

"He's a larrikin, which I think is a term of respect. The larrikin champion of his fellow workers, whose natural habitat is the barricades."

"He talks as if he barricades at all the Maguire said."

Mr Setka helped D Panlock (bullying talks to builders on work Melbourne.

Mr Panlock is waitress Brodie, own life after her workmates.

Her death prevented anti-bullying law maximum 10-year Nurses union

Fitzpatrick and contractor Paul Herald Sun they Mr Setka.

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