

MEDIA RELEASE

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Blackmail, fraud, coercion – time to stop treating unions as a protected species

The resource industry employer group - AMMA (Australian Mines and Metals Association)

AMMA renews its call for trade unions and employer organisations to stop being treated as a protected species and to be subject to the same standards and penalties as corporations, after the Royal Commission into Trade Union Corruption today reported serious criminality and disregard for our laws.

"The interim report of the Royal Commission has identified alarming criminal conduct among some Australian trade unions, including intimidation and coercion, blackmail, fraud and frequent misuse of members' funds to set up union election slush funds," says AMMA chief executive Steve Knott.

"There is nothing short of a culture of lawlessness in some trade unions, and a key driver of this is the ongoing treatment of registered organisations, including unions and employer groups, as special cases when it comes to governance standards, regulation and penalties for breaking the law.

"Having separate rules leads some union officials to think they are different from company directors, and that compliance with the law is optional. Examples include the prosecution of the CFMEU over its illegal boycott of Boral and this week's conviction of former HSU official Craig Thomson."

The Australian Government's approach, through the *Fair Work Amendment (Registered Organisations) Bill 2014*, is to create a separate Registered Organisations Commission to oversee enhanced regulation of unions and employer groups. This Bill is before the Senate and has been opposed by the Opposition.

"This is a step in the right direction, but creating another unique body to oversee unions and employer organisations is not the best approach," Mr Knott says.

"It is well beyond time to stop treating unions and employer groups as a protected species with their own set of rules. Unions and employer organisations should be regulated by Australia's Corporations Law under the watchful eye of the Australian Securities and Investment Commission (ASIC).

"Trade unions and employer organisations are often multi-million dollar businesses and in AMMA's view, should be treated no differently to corporations, with the same responsibilities, oversight and penalties.

"Just as the community expects corporations to meet standards of probity and proper governance, the community is entitled to expect trade unions to meet the same standards, a point reinforced by the unacceptable conduct revealed by the Royal Commission."

The Royal Commission's findings, released by Employment Minister Eric Abetz, also present an undeniable case for the urgent reintroduction of the Australian Building and Construction Commission (ABCC) – which was abolished by the former ALP government under trade union pressure.

"No part of our community, be it businesses, trade unions or any other organisations, should be able to engage in acts of wilful defiance of our laws, maintain unaccountable slush funds, or fail to properly serve the interests of their members," Mr Knott says.

"As Minister Abetz noted, 1800 pages of evidence now back the reintroduction of the ABCC, including today's finding of '*a culture of wilful defiance of the law which appears to lie at the core of the CFMEU*'; and that such criminality '*reveals grave threats to the power and authority of the Australian state*'.

"It is time our parliamentarians reflect community sentiment and deliver effective regulation that will to rid our nation's union movement of crooks, criminals and thugs."

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