

Resource industry backs Paul Howes on tough union corruption laws

RESOURCE industry employer group AMMA backs today's public comments by AWU boss Paul Howes that the officials and managers of all trade unions and other registered organisations should be subject to the same rules and penalties as company directors under the Corporations Act 2001.

AMMA (Australian Mines and Metals Association) is incorporated under the Australian Securities & Investments Commission (ASIC) as a limited public company and is a firm believer that all registered organisations should be held to the same high standards as business entities.

Fairfax newspapers today quoted Howes in support of the Coalition's policy on the accountability of registered organisations, which arose from last year's Health Services Union corruption scandal.

"When Paul Howes, the head of one of Australia's largest unions and a close acquaintance of workplace relations minister Bill Shorten, publicly backs a crackdown on corruption in trade unions, common sense dictates this is the right move," says AMMA chief executive Steve Knott.

"Registered organisations such as trade unions and employer groups can turn over tens of millions of dollars annually and their financial and moral responsibilities to members are just as important as the responsibilities business executives have to shareholders.

"AMMA wrote to Minister Shorten in May last year before lodging a submission to a Senate inquiry on the Fair Work (Registered Organisations) Amendment Bill 2012. We outlined our support for increased transparency and accountability for all registered organisations, both unions and employer groups.

"Our criticism of the federal government's soft stance was communicated more than 12 months ago and was backed by many other groups. It's now time for Minister Shorten to take long overdue action in this area."

The Coalition policy is to 'harmonise' the Fair Work (Registered Organisations) Act so accountability rules applying to registered organisations are the same as those under the Corporations Act. AMMA backs the tougher stance but sees no need to retain separate legislation for registered organisations, which is a key part of both Labor and Coalition policies.

"To have separate laws for unions and employer groups adds to the perception by some that 'special IR club' rules and regulations apply to such organisations," Mr Knott says.

"This manifests into a narrative that the behaviour of unions and employer groups differs to corporations. Unfortunately, as the HSU and AWU slush fund sagas highlight, some see separate rules and regulations as tacit support for misuse of members' funds or illegal industrial action.

"Registered organisations should simply comply with the full Australian corporations law of the day and fall under the jurisdiction of ASIC. AMMA has voluntarily subjected itself to this practice since its inception in 1918 and has greatly benefited from this increased discipline and transparency.

"Union members need to have the utmost confidence that their officials are using their funds appropriately and only for legitimate union activities and representation. Paul Howes is right to state that union officials who do the right thing have nothing to fear."

To read AMMA's full 2012 Submission on the registered organisations issue, [click here](#).

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