

# MEDIA RELEASE

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## Why should union members remain unprotected from dodgy officials?

*Australia's resource industry employer group – AMMA (Australian Mines and Metals Association)*

THE LABOR, Greens and PUP Senators who continue to block laws to strengthen the financial accountability of registered organisations must explain why members of unions and employer groups should not be afforded proper protections and transparency around use of their funds.

The *Fair Work (Registered Organisations) Amendment Bill 2014*, which would hold officials of unions and other registered organisations to greater governance standards and financial penalties, was blocked in the Senate yesterday.

"The question must be asked as to why Labor, the Greens and the Palmer United Party would vote down legislation that seeks to afford greater protection to members of trade unions and other registered organisations," says AMMA chief executive Steve Knott.

"We've experienced a very unedifying period in our industrial relations history that has seen the union brand tarnished with convictions of former officials along with a plethora of evidence of corruption and the misappropriation of funds from the Trade Union Royal Commission.

"After such events, union members could not be blamed for losing faith in the very organisations that purport to represent their interests. It does not send a positive message to union members when Labor and minority parties insist on treating their officials as a protected species."

While noting the amendments 'are a step in the right direction', AMMA's strong view is that the Abbott Government's proposed measures do not go far enough.

Mr Knott argues that rather than be regulated by the Fair Work Commission or any other body offering special treatment, registered organisations should simply come under the jurisdiction of Australia's corporations laws and be regulated by the corporate watchdog, ASIC.

The penalties for offences committed by corporations and registered organisations are:

	<b>Penalties for Offences</b>
<b>Section 184 of the Corporations Act 2001</b>	\$200,000 for individuals and up to five years' jail
<b>Sections 287 and 288 of the Fair Work (Registered Organisations) Act 2009</b>	\$6,600 for individuals \$33,000 for a body corporate (including a trade union)

"The stark difference in penalties shows why the Senate needs to get serious about protecting members of registered organisations from unethical and illegal behaviour," Mr Knott says.

"Registered organisations often manage tens of millions of dollars in members' funds. Officials that ethically represent their members and use funds transparently and appropriately would have nothing to fear from the rigorous rules and high standards applied to corporations."

The Australian Mines and Metals Association (AMMA) is voluntarily incorporated under the *Corporations Act 2001* and is audited annually by a top four accounting firm.

**MEDIA CONTACT:** Kylie Sully, 0409 781 580 or [Kylie.Sully@amma.org.au](mailto:Kylie.Sully@amma.org.au)