

THE AUSTRALIAN

Undue union payments under scrutiny

GRACE COLLIER THE AUSTRALIAN 12:00AM JUNE 11, 2016

Delightfully, in the past week, this newspaper contained three columns, and one news item, all very different, but connected in the most ironic way.

On Tuesday, columnist Troy Bramston described the activities of an ACTU army, with a budget of between \$35 million and \$45m, contacting undecided voters in about 25 marginal seats.

About 20,000 volunteers, supervised by 22 fulltime organisers, carrying a message about protecting penalty rates and “fairness”, are door knocking, posting on social media and making phone calls — 750,000 to date.

Their activities could win Labor the election, according to the musings of ACTU secretary Dave Oliver.

On Thursday, guest columnist Richard Goyder, chief executive of Wesfarmers, commented on the election campaign, and appealed for an end to “business bashing”. “People who trivialise the impact lower business taxes would make clearly don’t understand how investment decisions are made in the real world,” he said. Judging by the column, Goyder seems, quite rightly, concerned about Labor’s agenda of business bashing and opposition to a tax cut for business.

Goyder’s column was welcome. It made good sense. Yet, if Goyder cannot join the obvious dots between him and the very thing he is complaining about, others can.

The “people” Goyder is appealing to are funded by virtue of the financial arrangements between the Wesfarmers stable, and Labor’s biggest union funder, the notorious Shop, Distributive and Allied Employees Association.

Goyder, with all his concerns, however legitimate, is the very man who sits at the head of one of the largest income streams funding Opposition Leader Bill Shorten’s business bashing, tax cut scorning, class war invoking election campaign.

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Workers in these businesses (Coles, Kmart, Target and Bunnings) are covered by SDA enterprise agreements. These agreements contain extraordinary union privileges, and as part of enterprise bargaining agreement terms, and/or induction processes, workers are pushed into membership of the SDA.

The SDA, with 200,000 members, is Australia's largest union, and is the largest union funder of Labor.

I wonder how many hundreds of millions have been channelled from Wesfarmers to the SDA and its related entities, and on to Labor?

Instead of writing a column asking for "meaningful discussion", Goyder could instruct his management team to change the way they conduct their industrial relations.

Here is the great contradiction that lies at the centre of Australian politics today. Labor, despite its insistence that the Coalition is the party of big business, and its own anti-big business branding, relies financially on the ASX's biggest names.

Without the money from Australia's biggest businesses, our biggest unions would be broke, and therefore, not able to support Labor.

Worse, these transactions are mostly inappropriate. They are unethical, harm workers, are anti-competitive, distort our wages system and very soon will likely be illegal, with criminal offences applicable to those who disobey.

These transactions were labelled by the recent royal commission into trade union governance as "corrupting payments".

The commission made the valid point that almost any financial transaction between a business and a union, because of the obvious conflict of interest, was by its very nature, a corrupting payment, and a payment that should not be made.

Of course, Labor has every right to take money from unions who take fees from union members, who have joined their union voluntarily.

Workers have a right to support their unions and the political party the union movement owns, if that is what they choose to do.

However, if you look at the rich unions that fund Labor, it is easy to see the vast bulk of their money is raised by corrupting payments, taken off business or unwilling workers, in various ways.

Last Saturday, this newspaper ran a news item by Elizabeth Colman on the controversial Coles EBA, which has recently been struck out as a result of a legal challenge that proved it pays perhaps 30,000 workers below the minimum wage. Employment Minister Michaelia Cash said: “The government is very concerned about any deals where workers lose conditions, such as penalty rates, and (where) money also changes hands between the employer and union.”

On Wednesday, columnist Paul Kelly urged the Coalition to make an issue of the topic that caused this election to be held in the first place.

He said: “Malcolm Turnbull needs to invest industrial relations with the political significance it demands.”

The most significant industrial relations issue is that various unions, in various ways, harvest illegitimate revenue from business and the public, and use this money to control and distort our democracy today.

This leads us to the most important question of the election campaign. When is the Coalition going to announce a plan to outlaw corrupting payments?