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# Daily Media Overview



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[back](#)

• Senate crossbench crucial to passing laws to deregister 'rogue' unions and officials

# Lambie piles pressure on Setka to quit CFMEU

## Exclusive

Phillip Coorey  
Political editor

Key crossbench senator Jacqui Lambie says she might vote for a controversial bill to facilitate the deregistration of unions and officials if John Setka remains at the helm of the Victorian division of the CFMEU.

With Labor resolved to opposing the Ensuring Integrity Bill, which the government says is necessary to deal with rogue unions and officials, the decision now rests with the Senate crossbench which is being lobbied by both sides of the argument.

In an exchange yesterday in Canberra, Senator Lambie told ACTU president Michele O'Neil "you got a problem with the IR bill and it's called John Setka".

Senator Lambie later told *The Australian Financial Review* "it's no secret I have concerns about the behaviour of certain members of the trade union movement".

She said she had relayed this to Mr Setka and others.

"I have made these concerns very clear to Michele O'Neil, [ACTU secretary] Sally McManus and John Setka."

Senator Lambie said Mr Setka's refusal to stand down as state secretary of the CFMEU would influence her final decision when the bill reaches the Senate in either October or November.

Labor leader Anthony Albanese is trying to expel Mr Setka from the ALP but the union leader has countered with court action. Ms O'Neil and Ms McManus have called on him to stand down from his union role but he has refused.

The Ensuring Integrity Bill was fast-tracked into Parliament by the government to maximise Labor's discomfort as it tries to deal with Mr Setka.

Its powers would be prospective, meaning Mr Setka's previous trans-

gressions would be irrelevant but the government is still trying to link him to the bill.

Industrial Relations Minister Christian Porter said it was a "rational, fair, reasonable government bill that would allow a court, potentially in the future if John Setka carried on as he does at the moment, to consider whether John Setka's a fit and proper person to be a union official".

Labor voted against the bill before the election, citing inconsistencies with provisions in the bill compared with laws that deal with corporate Australia.

So Mr Porter reintroduced the bill to Parliament with amendments he said took these concerns into account.

But Labor and the ACTU said there were still flaws in the revamped bill.

For example, it would allow the Registered Organisations Commission, a minister or a "person with a sufficient interest" to apply to the Federal Court for a wide range of orders including disqualifying an officer, deregistering a union, altering a union's eligibility rules, restricting the use of a union's funds or property, and more. There is no equivalent for this in corporate law.

The bill also allows such people to object to the amalgamation of unions in court, regardless of the wishes of that union's members. The government needs the support of four cross-benchers and Senator Lambie will be crucial if either One Nation or Centre Alliance votes against it.

Centre Alliance senator Rex Patrick

From page 1

## Lambie piles pressure on Setka

said yesterday his party would be demanding further changes, including removing the provision that would enable the minister to lodge an application to deregister a union or an official.

"The aim was to deal with misconduct and there is no question that has been in the union movement," he said.

"We must have a bill that deals with that sort of egregious behaviour and it must also be fair and you cannot have misconduct in the corporate sector."

"Under the current ensuring integrity Bill, the minister can make a referral to make a deregistration. That does not happen in the corporate world. There is a political element today that we are uncomfortable with and would like to see it removed."

As Labor demanded the government stop bashing unions and start legislating the recommendations of the banking royal commission and dealing with corporate wage theft, the government mounted another assault on unions with a bill to stop earning on workers entitlement funds being hived off by unions.

Mr Porter called this "wage theft", prompting a rebuke from Ms O'Neil.

The money is surplus from a fund jointly managed by employers and unions, and some of the surplus is distributed between employers and unions to assist members through services like training, suicide prevention, ambulance and funeral cover.

"This is an outrageous slur by the Attorney-General. These are funds which are regulated by the ATO, jointly managed by employers and unions," she said.

"For over 30 years they have protected workers' entitlements and ensured workers are paid when companies collapse."

"They have also distributed funds between employer organisations and unions to benefit workers. These funds are used exclusively for







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Page 1 of 1

[back](#)

# ETU accused of \$17m theft from worker fund

David Marin-Guzman  
Workplace correspondent

The Morrison government has accused the Electrical Trades Union of engaging in millions of dollars in “wage theft” through its worker entitlement fund, as it sought passage of the legislation to regulate the funds through the lower house.

Industrial Relations Minister Christian Porter sought to bring the Proper Use of Workers Benefits Bill to a vote on Wednesday to face an expected Senate vote in October, with laws to make it easier to deregister unions and disqualify union officials.

Asked why he was focused on anti-union laws and not wage theft, Mr Porter pointed to the ETU’s redundancy fund Protect and “\$32 million transferred back to the union for no reason”.

In 2017 and 2018, the ETU and the National Electrical Contractors Association Victorian branches divided up \$27 million in Protect surpluses between them in response to concerns that the government’s regulation would stop the surplus from being used for workers’ welfare.

“That is theft of wages of union members because there is no regulatory system around those funds,” Mr Porter told ABC.

“Why is it a matter of extreme public interest ... that there is theft of wages by someone such as [MasterChefs] George Calombaris in those circumstances – and I think it’s deplorable – but then why is it OK for a union-set-up fund meant to hold worker entitlement money to transfer \$32 million back to the union without any explanation?”

The \$32 million is understood to be an incorrect figure.

According to union financial reports, ETU Victoria received \$16.9 million as a share of net profit from Protect in 2017, well above its previous profit splits averaging about \$750,000 a year.

NECA is understood to have received a 25 per cent split at \$5.6 million, although its

latest financial report says it received a total \$10.4 million from Protect in 2018.

In a joint statement, the ETU and NECA said Protect’s board, which includes independent directors, resolved unanimously to distribute the fund’s capital and income surpluses to the union and employer group sponsors “given the uncertainty the [work-

ers entitlement] bill caused”. The parties alleged the government’s bill threatened the fund’s ability to support the industry through education and member welfare and also enabled government ministers to “unilaterally create new rules”.

As a result, the ETU said it poured its share into a separate distress, hardship, welfare and training trust that distributes money to members for ambulance care, funeral cover or return-to-work training.

A spokeswoman said the union’s state council, made up of members, was responsible for all decisions relating to the surplus: “The constitution of the trust and state council resolutions dictate that the monies received cannot be spent on any industrial, political or operational needs of the union.”

NECA is understood to use its share of profits to fund training and safety programs for its members.

However, its latest financial report said its \$10.4 million profit share from Protect “helped to turn around” a \$600,000 operating loss for the employer group last year.

NECA did not respond to requests for comment before publication.

Despite the extraordinary depletion of Protect’s surplus, the parties said any shortfall in the fund was backed by guarantees from ETU and NECA.

“As has previously occurred during the GFC, should the Protect Redundancy Fund require funding (as a result of a shortfall due to unforeseen investment market conditions) and at the discretion of the board of Protect, the sponsors have guaranteed that funding to the extent of a facility arrangement,” the statement said.

“This ensures the entitlements of elec-

trical workers covered by the fund remain protected.”

Labor has resolved to oppose the bill as well as the Ensuring Integrity Bill.

## Key points

Christian Porter claims millions were transferred back to the union “for no reason”.

Unions say the money was moved because of uncertainty over a government bill.





















































































