

## Bill Shorten's AWU deals are under the microscope

Bill Shorten's much-anticipated appearance before the trade union royal commission proved to be a compelling spectacle. First, it was a chance to observe the Labor leader's composure under sustained questioning. It was also, like it or not, an opportunity for voters to fill in some gaps on the rise and rise of the alternative prime minister, from the days when Mr Shorten was the national secretary of the Australian Workers Union. Aside from Mr Shorten's personal history, the wider probing of union governance and corruption is casting a light on the murky and messy world of political donations, campaign financing and cosy deals done in the name of union members, sometimes without their knowledge or consent.

Despite complaints by the Labor Party and its affiliated unions about this being a political stitch-up, Dyson Heydon's royal commission is a valuable exercise in improving probity and protecting the interests of low-paid workers. Mr Shorten was quizzed yesterday about an arrangement in 2007, when he first ran for the Victorian seat of Maribyrnong. We have just learned, eight years after the events in question, that labour hire firm Unibilt bankrolled part of Mr Shorten's campaign, covering the cost of its director Lance Wilson, a Labor activist. Designated a "researcher" by the union, Mr Wilson cost Unibilt \$40,000.

The disclosure to the Australian Electoral Commission was made by Mr Shorten and the Victorian ALP only a few days ago, after the commission forwarded material to the Opposition Leader. This is obviously a breach of our political disclosure laws, weak as they are. Clearly, such delay is not in the spirit of transparency the laws are supposed to encourage. It must be said that sanctions are limp, with the AEC's emphasis on eventual disclosure rather than punishment. In truth, the political class treats these laws with contempt. To maintain accountability we need timely, transparent disclosure. The arrangement also casts a poor light on the union and its leadership. Although Mr Shorten maintains he had left the union to concentrate on his campaign, the AWU was negotiating an enterprise bargaining agreement with Unibilt about the same time.

But the crux of the issue for Mr Shorten is not disclosure. Here is a case of the union's activities being funded by both employers and workers, as if the AWU were a fee-charging broker. Such instances present a series of conflicting interests and motivations, more akin to the shifting terrain of television's Game of Thrones than Australia's workplace relations system, as it is meant to be. There is a strong case for banning friendly deals between unions and employers as some observers are advocating. The royal commission has heard allegations the wages and entitlements of low-paid AWU members, in the case of Cleanevent workers, were diminished in return for large cash payments to the union. The suggestion yesterday, and previously, that companies paid the union fees of hundreds of employees, perhaps without their knowledge, so the AWU could increase its influence inside the Labor Party is also worrying.

As Mr Shorten sought to explain yesterday, enterprise bargaining is a superior system of determining pay and conditions compared with centralised wage fixing. But it strikes us — no pun intended — that the sort of cosy deals highlighted by Jeremy Stoljar, counsel assisting the commission, ultimately do not help workers, as the Cleanevent case shows. Friendly arrangements can buy industrial harmony and boost the prospects of individual unions. But unions exist first and foremost for the benefit of members in the workplace.

The political and ethical questions for Mr Shorten go way beyond donations disclosure. Did he use union funds for his political advancement? Is this acceptable? Given Mr Shorten's stop-start testimony, are mere "details" beyond his broader purview? Did he benefit personally from a company that was negotiating with his union over pay claims? Did the AWU sell out members to

advance its power base? Many union members must feel like pawns in a big political game. Yet such exposure must eventually put more pressure on politicians, union officials and companies to act lawfully, honestly and ethically for the greater good.

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