

Sneaky union deals will shadow Shorten

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After excising the obfuscations, rationalisations and deep sighs that littered Bill Shorten's evidence to the royal commission examining trade unions, there remain far too many unanswered questions. The most pertinent is whether Mr Shorten fully comprehends what it means to have a conflict of interest, or whether indeed he cares about such matters.

The answer appears to be "no". Mr Shorten, the Labor leader who aspires to be prime minister after the next federal election, appears to accept that such conflicts are inevitable when corralling political power in this country. If so, he is not alone in that regard. It is a flaw that occurs on both sides of the political divide.

Mr Shorten, though, has been far from convincing with his attempts this week to justify what was going on when the Australian Workers' Union received substantial sums from employers a decade ago, when he was its national secretary.

He blithely batted away questions, at times offering rambling explanations about overarching union goals. But many of his answers lacked grounding. Many hundreds of thousands of dollars were paid by companies directly to the union, not to the workers.

To what end? That is what the commission is trying to determine. The AWU booked some of this income as training and education levies, and recorded it in its annual accounts.

In Mr Shorten's chipper interpretation, such payments enabled the AWU to provide training for the much-needed skills that this nation, the union movement and Labor had been demanding since, oh, Gough Whitlam's era.

Strip out the saccharine and there was still no solid explanation why, in the absence of a formal agreement, a company such as glassmaker ACI, for example, would pay \$480,000 over three years to a union without any legal obligation to do so.

Nor did Mr Shorten give any satisfactory explanation why, in his view, it is apparently reasonable and acceptable for union leaders to have their personal political campaigns funded by these same companies. The commission heard Unibilt Pty Ltd, which was negotiating an enterprise bargaining award with the AWU at the time, contributed tens of thousands of dollars so that a Labor activist could be employed as Mr Shorten's election campaign manager from February 2007. While Mr Shorten has known for "months" that the arrangement was not disclosed to the electoral commission, it was only in the past few days that a formal disclosure was filed.

This royal commission is providing some rare insights into the machinery behind political power. We are seeing how it might be cultivated and fostered, reinforced and protected, and how the desire for such power can lead to unethical or downright dishonest actions.

Mr Shorten and his supporters might not see it that way, and that is the problem. He repeatedly says that everything he did as a union leader was intended to improve the wages, conditions and prospects of AWU members, some of whom rank among the nation's most lowly-paid workers.

Such noble sentiments are undermined when unions become fiefdoms of political animals. Unions should protect workers' rights and conditions and stand as intermediaries and lobbyists, and not devolve into mini-banks stacked with slush funds for ambitious political activists.

Mr Shorten might not be bothered about the curious financial deals the AWU covertly struck with companies that employed AWU members, and that is troubling in itself.

Those deals bear all the hallmarks of conflicts of interest. Mr Shorten cannot wave away the fundamental issues at the heart of this inquiry: issues about integrity and transparency. As The Age has argued before, Mr Shorten needs to break the nexus between the union movement and the Labor Party. If he is not sufficiently capable or willing to do that much, then he will be judged harshly by voters.