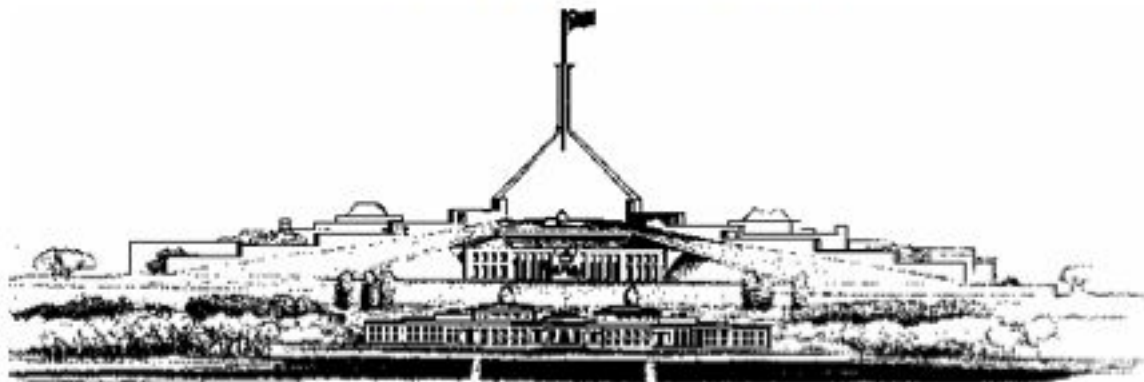




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**BILLS**

**Fair Work (Registered Organisations)  
Amendment (Ensuring Integrity) Bill 2017**

**Second Reading**

**SPEECH**

**Monday, 16 October 2017**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Monday, 16 October 2017  
**Page** 41  
**Questioner**  
**Speaker** O'Brien, Ted, MP

**Source** House  
**Proof** Yes  
**Responder**  
**Question No.**

**Mr TED O'BRIEN** (Fairfax) (12:54): I am a Queenslander. Only recently at Glencore's Oaky North mine were there protests by the CFMEU where they, among other vulgarities, threatened the rape of children.

**Ms Chesters:** No-one has been charged.

**Mr TED O'BRIEN:** And here we have the suggestion that bills such as these that address the issue of the integrity of the union movement are actually opposed by the members opposite. It saddens me deeply, as a member of this House, that such activity takes place and there is no condemnation from those opposite. In fact, there was an interjection then that implied almost defence.

Now, we know that the Labor Party is a wholly owned subsidiary of the union movement. It is the worst-kept secret in Australian politics. It's of no surprise, therefore, that the member for Gorton himself, like so many opposite—a former union official—will stand in this House and oppose any measure that the union movement disagrees with. The main line of argument from the member for Gorton was that corporations law has problems and that the measures here to address unions should be applied to corporations, yet he gave no examples whatsoever. This is a person who was a senior minister in former Labor governments, who had ample opportunity to rise in this House and address any flaws in the Corporations Act, but failed to do so. Yet he anchors his entire rebuttal of this bill today to some apparent flaws in the Corporations Act.

I rise today in support of the Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2017, and I want to start by informing the House how shocked I was, quite frankly, when researching for this speech, to find that Australia ranks 13th on the latest international Corruption Perceptions Index. We're behind the UK, which is at 10th; Canada, which is at ninth; and well behind New Zealand, which ranks at No. 1. We've fallen by six spots in the last five years, dropping out of the top 10 in 2014. Why is this? Why has Australia dropped so far in its international ranking on the perception of corruption? Well, the widespread misconduct as identified by the Royal Commission into Trade Union Governance and Corruption, involving embezzlement and fraud of Australia's unions, certainly hasn't helped. Integrity is at the heart of this issue. I underscore the word 'integrity', for is there any better word in the English language? 'Integrity' is defined as:

... consistency of actions, values, methods, measures, principles, expectations, and outcomes. In ethics, integrity is regarded as the honesty and truthfulness or accuracy of one's actions.

It conjures images of nobleness, of strong moral ideology and a consistent framework of principles. These are words that do not typically describe many unions or employer associations. Nor, might I add, do they typically describe today's opposition.

This bill will help restore such principles by bringing back the faith and trust that all Australians should have in their workplace representatives. Unions are often said to be fighting for the integrity of their members, of the system. But the problem is that they have given very little thought to their own integrity. That is why this bill is so important—essential, in fact. This bill is a commitment that the government gave to the Australian people in 2016, a commitment that is backed by recommendations of the Royal Commission into Trade Union Governance and Corruption. That's right: this bill enacts core recommendations from that royal commission.

There are four key measures in this bill, four improvements to Australian law to restore integrity to Australia's registered organisations. Firstly, the bill outlines the Federal Court's ability to disqualify an officer of a registered organisation from holding office. Why is this important? Because it relates directly to someone's character and suitability to hold office in a registered organisation. It goes to the heart of their integrity. Not only does this bill automatically disqualify a person from holding office if they have committed an offence, which is punishable by five years imprisonment, but it also gives the Federal Court the power to disqualify officers for a wide range of offences, such as OH&S infringements and breaches of the Building Code. I would have thought everyone

would agree that criminals should not be allowed to hold these privileged positions within Australian unions and employer associations. Australian workers deserve far better than that. The opposition has a contrary view.

Secondly, the bill details the ability of the Federal Court to cancel the registration of organisations. The bill proposes that the Federal Court have the ability to deregister or sanction a registered organisation on the grounds of noncompliance, obstructive industrial action or corrupt conduct. The opposition disagrees with that. This bill will ensure that the court can cancel registrations where an organisation or its senior officials have repeatedly broken the law, breached their duties or failed to put their members first. The court can also apply this cancellation standard to one or more parts of an organisation.

Thirdly, this bill considers the circumstances under which the Federal Court can send dysfunctional registered organisations into administration. This bill provides clear steps for the Federal Court to ensure we don't encounter the problems experienced when the Health Services Union went into administration in 2012. This clarity is missing under our current legislation, and this bill closes the loopholes. The bill proposes that the court can appoint an administrator to all or part of a registered organisation when financial misconduct has occurred or its officials have repeatedly broken the law or breached their duties. Yet the opposition opposes such measures. Again, these are fundamental measures expected by all Australians, measures that are appropriate and consistent with modern community standards.

The fourth and final proposal in this bill is arguably the most important, I believe. It provides for the Fair Work Commission to consider whether an amalgamation between two registered organisations would be in the public interest. This measure creates a public interest test to be applied by the Fair Work Commission. It broadens and, more importantly, strengthens the Fair Work Commission's ability to consider the impact of a proposed merger between registered organisations. Many registered organisations have significant assets, enjoy tax-exempt status and have the power to greatly influence policy and markets. This privileged position requires careful scrutiny, especially when two or more organisations consider a merger. It also helps to realign an inequality of regulation that currently exists between corporate Australia and the union movement. Just as measures apply to companies when they seek to merge, these proposed changes apply a set of principles to ensure all matters associated with the merger are taken into account. This includes the organisation's history in complying with the law and any potential impacts on industries and the economy as a result of a merge.

This government is committed to strengthening and fortifying Australia's integrity. This bill complements a multi-faceted approach to stamp out corruption and shore up integrity. It includes reinstating the Australian Building and Construction Commission and creating the Registered Organisations Commission, the AFP's fraud and anticorruption centre and Australia's first open government national action plan. This approach also includes recently introduced fair work amendments such as the protecting vulnerable workers bill and the corrupting benefits bill.

I have no doubt that the opposition will argue against these measures. They will argue that it's an attack on fair play or workers' rights. Workers' rights, surely, means that what Australian workers should have is a right to fair and honest representation by people who can be trusted, by people with integrity.

Let's not forget that more than 40 individuals and organisations were referred for further investigation as a result of the Royal Commission into Trade Union Governance and Corruption. This bill and other amendments to the Fair Work Act are an ideal opportunity for the opposition not to oppose us but to join with us, to join with the government, to instil some integrity and trust back into the union movement. If anything, the opposition should be delighted with this bill. We are handing it to them on a silver platter. It may even stem the decline in union membership. It is long overdue reforms such as these that will help make the lawlessness of the trade union movement a thing of the past. Bullying and corruption have no place in modern day Australia, have no place in today's work place. Our workers expect and deserve better. Surely all members of this chamber agree with that.

I support this bill, and I commend it to the House, because I believe it will help ensure that those who are charged with representing Australian workers will act in their best interests, in the interests of those workers.