



Senator Tim Storer
Independent Senator for South Australia

MEDIA RELEASE

Ensuring Integrity Legislation 18 September 2018

I am not inclined to support the Ensuring Integrity legislation at this stage.

The bill seeks to adapt the Corporations Act to align penalties against union officials with those for company directors as well as to introduce new measures in relation to union mergers.

Leaving aside the question of whether there is equivalence between companies and unions – whether like is being compared with like – the legislation goes far beyond the penalties and provisions of the Corporations Act.

To cite Parliamentary Library analysis, the bill seeks to introduce a “public interest test” in relation to union mergers. This does not apply to corporate mergers.

The bill also applies harsher penalties to unions than currently apply to disqualified company directors and is more expansive.

The bill would also enable a wide range of individuals – anyone with a “sufficient interest” – to initiate legal action against unions and union leaders. This is not the case for companies where only ASIC can take such action.

The bill does not contain any provisions to prevent frivolous or vexatious applications to disqualify union officials. The Corporations Act does.

On the broader question of the idea of aligning unions with companies rather than incorporated associations:

Companies, for example, are supposed to act in the interests of their shareholders; unions are voluntary associations established to act in the interests of their members.

I am interested to note the admissions to the Banking Royal Commission by a number of financial institutions that they repeatedly breached the law on thousands of occasions, costing ordinary people millions of dollars and personal hardship.

Just one example that springs to mind: Compare the fact that APRA failed to prosecute Colonial First State for 15,000 acknowledged breaches of the law, contrasting with the rigour with which some unions and union officials have been pursued.

I hope to see significant government focus on the unethical and illegal behaviour within the financial sector emerging from the Banking Royal Commission.

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