



**Senator the Hon Michaelia Cash**  
MINISTER FOR EMPLOYMENT  
MINISTER FOR WOMEN  
MINISTER ASSISTING THE PRIME MINISTER FOR THE PUBLIC SERVICE  
SENATOR FOR WESTERN AUSTRALIA

## **MEDIA RELEASE**

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### **It's over. Corrupt payments between employers and unions banned**

Today the Senate passed the Turnbull Government's *Fair Work Amendment (Corrupting Benefits) Bill* designed to ensure that Australian workers are put first in dealings between employers and unions.

The Heydon Royal Commission uncovered a raft of payments known as 'corrupting benefits' between unions and employers designed to ensure companies got favourable treatment from unions. Many of the worst examples included payments by employers to the Victorian division of the AWU in which the Leader of the Opposition, Mr Shorten, was involved (see Attachment)

The Bill now bans secret and corrupting payments from businesses to unions, and requires the disclosure of any legitimate payments arising from enterprise agreements. When corrupting payments are made, both parties are equally culpable. The Bill ensures that the same prohibitions and sanctions will apply to both employers and unions.

The Bill passed the Senate despite strident opposition from Bill Shorten and Labor, who again made a choice to protect workplace corruption and put their union masters before hardworking Australians.

"Bill Shorten and Labor today voted against protecting Australian workers from secret deals between employers and unions that all too often disadvantage workers. It is staggering that the Labor Party would put the interests of crooked unions and crooked employers ahead of the interests of honest workers, who deserve to know that their employers are not engaging in secret deals and that their unions are acting in their best interests," Minister Cash said.

The Heydon Royal Commission found that as Secretary of the Australian Workers Union Bill Shorten arranged payments from numerous businesses to benefit the union rather than its members.

"As Secretary of the AWU, Bill Shorten traded away the pay and conditions of some of Australia's lowest paid workers. The AWU later received secret payments of \$75,000 from Cleanevent to maintain this arrangement." Minister Cash said.

"In addition, when Bill Shorten ran for Parliament in 2007, a building company spent \$32,000 hiring a staff member to act as his campaign manager whilst at the same time negotiating an enterprise agreement with Mr Shorten's union. These payments created a clear conflict of interest and were highly unethical, yet remarkably, they were not technically unlawful. This legislation ensures that they now are."

Minister Cash said secret payments are a blight on Australia's workplace relations system and that workers should have confidence that negotiations between their union and employer are conducted honestly and fairly, without any money secretly changing hands.

“Today’s vote was a key test for Bill Shorten to see whether he would put ordinary workers or crooked deals first – he failed,” Minister Cash said.

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**Attachment – Examples of deals done by the Australian Workers Union Victorian Branch involving corrupting benefits that would now be unlawful**

1. **Thousands of dollars from Ausreo to AWU Victoria** invoiced as being for a ‘special education trust’ but were actually paid directly into the AWU’s general account and used for general union costs.
2. **Thousands of dollars from Potters Industries to AWU Victoria** invoiced as being for ‘paid education leave’ but were actually made directly into the AWU’s general account and used for general union costs.
3. **Thousands of dollars from Huntsman Chemicals to AWU Victoria**
4. **\$330,000 from Thiess John Holland to AWU Victoria** to avoid industrial disruption. The payments were disguised by false invoices for ‘AWU magazine ads’, ‘back strain research’, ‘safety training’, ‘conference sponsorships’, but none of these benefits were actually provided.
5. **\$500,000 from ACI Operations to AWU Victoria** to secure industrial peace while they laid off workers at their Spotswood glass manufacturing factory. The AWU invoiced the payments as ‘paid education leave’ but used them to offset a loan to renovate the union’s Victorian office.
6. **\$75,000 from Cleanevent to AWU Victoria** to maintain an enterprise agreement that paid cleaning workers well-below award rates and stripped them of penalty rates, overtime and shift loadings. Entry-level casuals working at events were entitled to 176% more per hour under the award than under the agreement sealed by these payments.
7. **\$32,000 from Unibuilt to Bill Shorten** to fund his 2007 campaign for Parliament.
8. **\$24,000 from Chiquita Mushrooms to AWU Victoria** to avoid industrial unrest while it was transitioning its mushroom picking workforce to labour hire. The AWU falsely invoiced the payments as ‘paid education leave’ and never disclosed the payments to Chiquita employees.
9. **\$200,000 from Winslow Constructors to AWU Victoria**, in return for multiple benefits including advance notice of the terms of a competitor’s enterprise agreement. Winslow also provided lists of employee names that were secretly signed up to the union.
10. **\$30,000 from BMD Constructions to AWU Victoria** while providing lists of employee names that were secretly signed up to the union.