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Unions Inc:
The corporatisation of the
Australian union movement

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Introduction

Australian unions have undergone a dramatic transformation over the last three decades. The union movement in 2025 has drifted from its roots as advocates for workers who lacked a voice. The modern-day union movement has become a self-serving, complex commercial network that has monetised the industrial relations system to extract financial and political benefits for itself and its allies, including the Australian Labor Party. This is leagues removed from its humble origins.

Union membership has declined from over 50% of the population in 1976 to just 13% in 2024 and as low as 7.9% in the private sector. Yet while union membership continues its long-term decline, the financial and political influence of unions has never been greater.

Rather than adapting to remain relevant to workers, unions have shifted to alternative revenue sources to remain financially sustainable. Australia's largest unions have accumulated well in excess of \$1.8 billion in assets and generate more than \$800 million in annual income.

The financial architecture of the union movement ensures a continuous flow of funds from businesses and workers, through unions, and ultimately to the ALP. This is facilitated via payments from industry superannuation funds, worker entitlement funds, training funds, direct business contributions to unions, and taxpayer-funded grants by Labor governments. These alternative revenue sources have enabled unions to shift away from relying on membership dues. For example, less than two-thirds of CFMEU revenue in 2022-23 came from membership subscriptions.¹

Successive Labor governments at both a state and federal level have actively facilitated and expanded these financial arrangements through regulatory measures designed to strengthen the business model. An overlapping web of union officials and former ALP politicians and staffers sit on the boards of the various worker entitlement funds, industry super funds and industry training organisations. This further entrenches mutual self-interest and raises questions about board governance and conflicts of interest. Even where there is an 'independent' chair, they are often found to be a former union official or Labor politician. Nicola Roxon, for instance, was appointed 'Independent Chair' of industry super fund HESTA, in 2019. Ms Roxon is a former federal Labor minister, and a former industrial lawyer and advocate for the National Union of Workers.

In the nearly 20 years for which records are available, since 2006-07, Australian unions have pocketed a grand total of \$528,769,384, from worker entitlement, training and superannuation funds identified in this report.²

Such payments continue to grow year on year. In 2013-14 worker entitlement funds – established to manage and distribute benefits such as leave, redundancy, and insurance payments to eligible employees, typically in industries with portable entitlements – collectively transferred \$18.97 million to unions. By 2021-22 this had grown to \$34.3 million, jumping to \$51.4 million in 2022-23.

Similarly, **training funds** – ostensibly created to promote safety and upskill workers – have seen payments to unions surge in recent years. Australian unions collected \$8.87 million from these training funds in 2023-24, up from \$3.40 million in 2013-14.

¹ Combined figures for all state branches

² Publicly reported data from the [AEC Transparency Register](#)

The number and scope of worker entitlement and training funds is set to grow under the Albanese Government's 'Employee-like' reforms – introduced through the *Fair Work Legislation Amendment (Closing Loopholes) Act 2023*. These reforms grant the Fair Work Commission (FWC) sweeping new powers to impose minimum standards on so-called 'employee-like' workers, a category that notably includes gig economy participants.

Crucially, the scheme enables unions to apply to the FWC for sector-wide or enterprise-specific minimum standards, effectively embedding union influence deeper within Australia's economy. The Transport Workers' Union (TWU) has already moved to exploit this mechanism, lodging an application that would make BlueCard training mandatory for all workers in the 'on-demand courier' and transport sector. Under the proposed new standards, workers would be required to obtain a BlueCard from a "licensed training organisation" – most likely, one controlled by the TWU itself, with the TWU generating profits for itself from the training organisation. This proposal also seeks to entrench TWUSuper as the default superannuation fund, further consolidating the union's financial and institutional grip over the sector. The implications of these reforms extend well beyond the transport industry, setting a precedent for unions to impose costly compliance obligations across other sectors of the economy and enrich themselves in the process.³

Meanwhile industry super funds have used millions in employees' retirement savings to fund union advocacy campaigns or to inflate director fees. Payments to unions from industry super funds have risen from just \$4.87 million in 2013-14, to over \$7.76 million in 2023-24, and peaked at an astounding \$12.86 million in 2018-19 — a year that saw one federal and two state elections.

Unions in turn spend large sums of money on political campaigning to further their political and strategic objectives. In the last three federal election years, unions spent an estimated \$98 million on political campaigning activities, including \$40 million directly transferred to the ALP.

The end result is a well-financed political apparatus, strategically leveraging financial resources to influence electoral outcomes and policy agendas.

To protect the interests of workers over those of union beneficiaries, governance standards for worker entitlement and superannuation funds must be strengthened. Without reform, corporate unionism will continue to grow unchecked, and the interests of workers will fall further behind the financial ambitions of those who claim to represent them.

Recommendations to Strengthen Worker Entitlement Funds (WEFs)

- 1. End the ASIC exemption** - End the exemption for employee redundancy funds from the managed investment and associated provisions of the *Corporations Act 2001*, first granted by ASIC in 2000. This would require such funds to:
 - a. hold an Australian financial services (AFS) licence with appropriate authorisations;
 - b. register the employee redundancy fund as a managed investment scheme; and
 - c. comply with the managed investment provisions in the *Corporations Act 2001* and other associated provisions, including those relating to product disclosure statements, ongoing disclosure requirements and the anti-hawking provisions.
- 2. Introduce a 'Best Financial Interests of Members' requirement**, as now applies to superannuation funds.

Recommendations to Strengthen Superannuation Funds

- 1. Tighten fitness and propriety standards** with regular reassessments and mandatory disclosures of material changes – such as union or party political affiliations; other executive and board appointments; criminal convictions or investigations or associations with organisations under investigation.
- 2. Mandate board expertise** to align professional backgrounds with operational and regulatory needs.
- 3. Enhance governance** by introducing a requirement that a majority of superannuation trustee boards be comprised of independent directors and have independent chairs.
- 4. Empower the Australian Prudential Regulation Authority (APRA)** to remove trustees where a material conflict of interest is identified, ensuring accountability and regulatory integrity.
- 5. Cap non-executive director tenure at 10 years** to foster board renewal.

³ Application for a minimum standards order (MS2024/1) and (MS2024/2), Transport Workers' Union of Australia, Fair Work Commission

Trickle-Down Economics: From Businesses and Workers to Unions, and then the ALP

The financial architecture of the union movement's business model ensures a continuous flow of funds from businesses and workers, to union-controlled funds, then through unions, and ultimately to the Australian Labor Party (ALP). This is facilitated via payments from industry superannuation funds, worker entitlement funds, direct business contributions to unions, and taxpayer-funded government grants. The end result is a well-financed political apparatus, strategically leveraging financial resources to influence electoral outcomes and policy agendas.

Australian unions continue to be significant financial players in both federal and state elections, spending up big in support of the Labor Party. In the last three federal election years, the unions spent an estimated \$98 million on political campaigning activities, including \$40 million directly transferred to the ALP.

Recent union-led political campaign spending includes:

2015-16: Covering most expenditure for the 2016 federal election, unions spent \$26 million on political campaign activities – \$10 million in direct donations to Labor and \$16 million on union-led campaigns.

2019: By 2019, total union campaign spending had surged 35%, to \$35 million – with \$14 million funnelled directly to Labor in donations and \$21 million spent on union-led campaigns.⁴

2022: In the most recent federal election year, union campaign spending reached \$37 million, comprising \$16 million in direct donations to Labor and \$21 million on union-led campaigns.⁵

Media scrutiny has repeatedly highlighted the extensive financial resources unions dedicate to election campaigns, motivated by the strategic benefits of a Labor government advancing their industrial and financial interests.

⁴ ['Clive Palmer, unions spent up big to fight election, AEC data shows'](#), Olivia Caisley and Rachel Baxendale, *The Australian*, 3 February 2020

⁵ ['Unions' millions powered Labor election victory'](#), Jess Malcolm and Sarah Ison, *The Australian*, 1 February 2023

Monetising Workplace Relations: The Rise of 'Unions Inc.'

Australia's unions have constructed a sophisticated business model designed to sustain their financial and political clout, despite their dwindling membership. Despite the humble beginnings of the trade union movement, it is clear that many modern trade unions are large and complex commercial enterprises. As the 2015 Royal Commission into Trade Union Governance and Corruption observed:

*"They operate complex commercial structures. They have large numbers of staff. They operate across multiple jurisdictions. The funds which certain unions have established, and which they and their officials administer, are even more complex in structure: incorporated associations, unincorporated associations, trusts and various corporate entities."*⁶

Union viability is no longer contingent upon membership dues. Private sector union membership has declined from over 50% of the population in 1976 to just 13% in 2024 and as low as 7.9% in the private sector. Rather than adapting to remain relevant to workers, unions have shifted to alternative revenue sources; with Australia's largest unions accumulating well in excess of \$1.8 billion in assets and generating more than \$800 million in annual income.

An examination of annual reports indicates that some of Australia's largest trade unions have experienced a more than threefold increase in wealth over the past decade, despite stagnating or declining membership. Between 2014 and 2024, the Australian Education Union expanded its asset base by 267 per cent to \$176,864,054. Over the same period, the Australian Manufacturing Workers' Union saw its total assets surge by 104 per cent, rising from \$107,186,375 to \$218,245,845.

Table 1: Growth in the net value of union assets

	2013	2023	Increase
AEU	\$48,250,299	\$177,134,390	266.56%
AMWU	\$107,186,375	\$218,308,732	103.67%
ARTBIU	\$41,097,675	\$76,835,357	86.96%
AWU	\$42,417,447	\$42,797,678	0.90%
CFMEU⁷	\$227,501,434	\$204,628,175	-10.05%
HSU	\$8,204,677	\$15,993,079	94.93%
SDAEA	100,490,126	\$199,508,826	98.54%
TWU	\$37,163,935	\$41,252,214	11.00%

⁶ [Workers rejoice, this union gravy train is terminating](#), *The Australian*, 28 October 2017

⁷ The decrease in part reflects demergers that have taken place. Excluding Mining & Energy from both statistics, the CFMEU's value in 2013 was \$140,018,075.

Trade unions are no longer dependent on membership dues for financial sustainability. Instead, they have effectively monetised the industrial relations system and enterprise bargaining agreements to diversify and solidify their revenue streams. Today, their financial channels include:

- 1. Employer payments** – secured through enterprise agreements and negotiated arrangements, sometimes in exchange for industrial peace or favourable treatment by unions.
- 2. Worker entitlement funds** – redundancy and income protection schemes, directing a record \$51.40 million into union coffers in 2022-23 and \$40.27 million in 2023-24.⁸
- 3. Training funds** – provided \$8.87 million in 2023-24 for the delivery of ‘training programs’ and mandatory registrations, such as BlueCards.⁹
- 4. Industry superannuation funds** – providing unions with as much as \$12 million annually via fees and direct payments.¹⁰
- 5. Government grants and subsidies** – frequently labelled as ‘workplace improvement’ initiatives (but otherwise known as pork-barrelling) by ALP governments at both a state and federal level.

Successive Labor governments at both a state and federal level have actively facilitated and expanded these financial arrangements. ALP policy has encouraged the expansion of worker entitlement funds, while blocking Coalition government legislation that would have subjected WEFs to proper standards of transparency and regulation. Meanwhile, industry superannuation funds – dominated by union-aligned trustees – continue to benefit from regulatory advantages within the default superannuation framework.

The Labor Party has also opposed restrictions on ‘corrupting benefits’ payments to unions and dismantled oversight bodies such as the Registered Organisations Commission, which was tasked with scrutinising financial transactions between unions and employers.

⁸ AEC Transparency Register data

⁹ AEC Transparency Register data

¹⁰ APRA data

Employer Payments

Unions are amassing ever-growing sums from private industry, raising questions about whether these payments are legitimate business expenses, or veiled payments for industrial peace.¹¹

In 2015, the Royal Commission heard evidence that logistics giant Toll Holdings agreed to make secret payments into a TWU training fund, TEACHO, to buy industrial peace. In exchange for payments of up to \$150,000 a year to the fund, the TWU agreed to conduct “audits, wage inspections and other compliance measures” on up to five of Toll’s competitors.¹² Initial contributions under this agreement stood at \$50 per worker for ‘BlueCard training’, with subsequent proposals for a 50 cent per worker weekly levy (equating to \$26 per worker annually).^{13 14}

Under the federal government’s recently introduced ‘Closing Loopholes’ legislation, the TWU has already made applications to the Fair Work Commission to extend similar measures to the rest of the transport and ‘on demand’ industry. If replicated across 102,400 truck drivers, 250,000 gig economy workers, and 21,000 taxi drivers, such schemes could funnel an additional \$34.7 million annually into union-linked funds – effectively constituting a ‘union tax’ on the transport sector.

The TWU is by no means alone in seeking to impose exorbitant costs on businesses. The construction sector, where the Victorian branch of the Construction, Forestry and Maritime Employees Union (CFMEU) already wields extraordinary influence, provides a further example of the economic impact of such arrangements.

As shown in Table 2 below, unionised enterprise agreements in the Victorian construction sector impose additional costs of approximately \$10,000 per worker annually that each business must pay into union-controlled funds.

In theory, payments under this agreement are for a range of insurances, including redundancy and income protection, and are directed to CoInvest (now LeavePlus) and Incolink. However, Incolink directs millions of dollars to the unions each year.

Incolink is one of Australia’s largest worker entitlement funds, and is controlled by the CFMEU, CEPU, and Master Builders Victoria (MBAV). Both of these unions, in turn, donate millions of dollars to the Australian Labor Party.

There is nothing to stop the CFMEU and Incolink from engaging in blatant price gouging to build in ever greater profit margins for themselves. As the payments are mandated by enterprise bargaining agreements, they operate as legalised monopolies.

For example, in 2020, the CFMEU and MBAV agreed to double the payments that each employer must pay to Incolink. The amount of ‘grants’ paid to these bodies by Incolink then grew at a similar rate.

Ultimately, these additional costs serve to further inflate the cost of construction in the state and raise serious questions about appropriate governance, given the CFMEU is both the trustee of and beneficiary of payments from Incolink.

¹¹ [Toll paid work fund to avoid union strife](#), *Australian Financial Review*, 17 November 2014

¹² [Toll's secret 'safety' payments to union](#), *SBS News*, 03 July 2014

¹³ Interim Report vol 1 p 1001, <https://www.royalcommission.gov.au/system/files/2020-08/turc-interimreportvol1.pdf>

¹⁴ Evidence to the Royal Commission: https://web.archive.org/awa/20160105183431mp_/https://www.tradeunionroyalcommission.gov.au/Hearings/Documents/Evidence3July2014/teacho-tab5a-redacted.pdf p 110

Table 2: CFMEU Victorian general construction pattern agreement

Fund name	Purpose	Weekly contribution	Annualised value	Weekly base wage (CW5)	Annualised base wage	% of wage
Incolink Number 4 Fund	Redundancy	\$120	\$6,240	\$2,027.52	\$105,431.04	5.92%
Incolink	Welfare Fund	\$0.95	\$49.40	\$2,027.52	\$105,431.04	0.05%
Incolink	Income Protection Insurance	\$29.00	\$1,508.00	\$2,027.52	\$105,431.04	1.43%
Incolink	Training	\$8.50	\$442.00	\$2,027.52	\$105,431.04	0.42%
Incolink PSL Scheme	Portable Sick Leave	\$3.00	\$156.00	\$2,027.52	\$105,431.04	0.15%
"Incolink-procured policy"	Bill Payer Insurance	\$1.00	\$52.00	\$2,027.52	\$105,431.04	0.05%
Co-Invest	Long Service Leave	\$33.80	\$1,757.54	\$2,027.52	\$105,431.04	1.67%
TOTAL		\$196.25	\$10,204.94	\$2,027.52	\$105,431.04	9.68%

Source: CFMEU (Victorian Construction and General Division) Enterprise Agreement 2020-2023

Union-Negotiated Enterprise Agreements Leading to Over-Insurance

Union-negotiated enterprise agreements that mandate contributions to both worker entitlement funds and industry superannuation funds are forcing workers into widespread over-insurance, requiring them to pay double premiums.

For example, the CFMEU (Victorian Construction and General Division) Enterprise Agreement 2020-2023 requires employers to make contributions to Incolink on behalf of workers, in part to receive a range of insurances. This may include Accident and Illness Benefits, which may provide coverage in the event of partial disablement or death. Simultaneously, superannuation contributions are directed to Cbus, which provides default insurance coverage to all members.

A note on the Cbus website states, "When you join Cbus Industry Super, most members qualify for our default level of Death and Total and Permanent Disablement (TPD) cover."

This default coverage is automatically applied and incurs costs that increase with age and income. For members aged 25-29 this default coverage starts at \$1.65 per week (\$86 per year), and rises to \$13.20 per week (\$688.25 per year) as the level of income protection increases.¹⁵

¹⁵ Cbus Industry Super, Manual insurance scale, effective 28 September 2024

In both cases, the same worker is forced to double up on insurance products with two organisations, both controlled by the very organisation that negotiated their enterprise agreement, the CFMEU. Both of these insurers then make millions of dollars in payments to the union. The union has an inherent conflict of interest in requiring workers to pay for two insurance premiums and the employer organisation has no incentive to prevent it.

Unions First, Workers Last

These financial arrangements reveal a fundamental shift in the role of modern trade unions. The union movement has moved beyond simply representing workers to become a complex commercial network that leverages its privileged status to extract further financial and political benefits. Unions have transformed workplace relations into a lucrative business model – one where businesses, workers, and consumers foot the bill for an increasingly self-serving and politically powerful movement. The consequence is a system where industrial activism has been replaced by corporate unionism, and where the interests of workers have become secondary to the financial ambitions of those who claim to represent them.

Worker Entitlement Funds

Worker Entitlement Funds (WEFs) are private entities responsible for managing certain worker benefits such as redundancy, sick and long service leave. They are typically managed by industry-specific boards or trustees, which include unions and employer organisations. They typically derive their income from terms in enterprise bargaining agreements to which the relevant unions are a party.

Employers make regular contributions to the fund on behalf of their employees. The fund then administers these contributions and ensures that eligible workers receive their entitlements when they meet the required conditions (e.g. years of service, redundancy events, or industry exit). This system is meant to provide security for workers, particularly in industries with high job mobility, like construction and cleaning.

The burden of these funds is borne by businesses operating within these industries and, in some cases, represents a financial impost greater than payroll tax. The specific levy varies by industry, reflecting differing entitlements and the profit margins that are built in by the unions that set the amounts that must be paid.

While framed as a worker protection mechanism, the operation of these funds raises broader questions about cost imposition on employers, governance transparency, and the influence of unions in the regulation of workplace entitlements.

While ostensibly established to manage worker entitlements, the worker entitlement funds identified in this report have transferred a total of \$344,406,932 to unions since 2006-07. Over the ten-year period from 2014-15 to 2023-24, these funds collectively transferred a total of \$281,077,324 to Australian unions. Notably, the quantum of payments has grown considerably over the years. In 2012-13, these payments stood at \$13,039,234.00, before jumping to \$18,966,431.00 in 2013-14, an election year. They again jumped in 2018-19, to a whopping \$48,989,772.00, coincidentally another election year, before falling to \$13,176,691.00 in 2019-20. In 2023-24, the most recent year for which data is available, payments totalled \$40,266,586.

Worker entitlement funds are becoming significant financial institutions, with billions of dollars under management. Yet they are not regulated like financial institutions. LeavePlus, formerly known as CoINVEST, which administers a portable long service leave scheme for the construction industry in Victoria, currently

holds over \$2.23 billion in assets under management. Further still, the fund holds net assets of some \$440 million,¹⁶ raising serious questions of whether businesses are being forced to pay exorbitant contributions to inflate its profits. Incolink, partly owned by the CFMEU and the CEPU, has \$1.2 billion of funds under management.¹⁷ Meanwhile the Protect Group – 75 per cent owned by the Electrical Trades Union Victorian Branch (ETU) and 25 per cent owned by the National Electrical and Communications Association Victoria Chapter (NECA) – currently holds assets totalling \$430.4 million.¹⁸

Despite their functional equivalence to managed investment schemes under the *Corporations Act 2001* (Cth), most WEFs operate under a regulatory exemption granted by the Australian Securities and Investment Commission (ASIC). This exemption allows WEFs to circumvent fundamental obligations such as financial disclosures, ASIC registration, and licensing standards, leaving their operations largely unregulated.

The ASIC exemption for WEFs is set out in the ASIC Corporations (Employee Redundancy Funds Relief) Instrument 2015/1150, which defines WEFs as schemes “to which employers may make, or are required by an award or agreement to make, contributions where the primary objective of the scheme is to fund redundancy entitlements and other entitlements incidental to employment.”¹⁹ The sweeping breadth of this exemption effectively shields WEFs from conventional corporate governance standards. ASIC itself points out that, under a series of relief instruments issued since 2000, WEFs have not been subject to any form of regulation other than State-based trust law.²⁰

Systemic Risks of an Unregulated Model

By virtue of ASIC’s exemption, WEFs are not bound by the statutory obligations imposed on managed investment schemes, including such fundamental duties as acting with honesty, care, and diligence in managing funds; prioritising the best interests of fund members; and ensuring payments align with both the scheme’s constitution and statutory requirements.

The current framework exposes WEFs to a series of systemic risks, including:

- **Financial opacity** – A lack of transparency in investment strategies, asset allocations, and expenditure reporting.
- **Excessive contributions** – The amounts that businesses are forced to contribute are set by unions and employer organisations, who receive distributions from the profit margins. The higher the margins, the more they receive. This creates inherent conflicts-of-interest and rewards price gouging.
- **Regulatory vacuum** – Bypassing governance requirements imposed on comparable investment schemes.
- **No constraints on disbursements** – The risk that funds are managed in ways that serve union interests rather than those of workers.

¹⁶ [LeavePlus Annual Report 2024](#)

¹⁷ [Incolink Annual Report 2024](#)

¹⁸ [Protect Group Annual Report 2023/34](#)

¹⁹ [ASIC extends relief for employee redundancy funds](#), ASIC, 30 September 2024

²⁰ [Agency Certification Letter \(Source\)](#)

Recent revelations of financial mismanagement within industry superannuation funds, such as Cbus, illustrate the dangers of unchecked institutions.²¹ Without substantive regulatory intervention, the potential for further abuses remains high. These risks demand a re-evaluation of the current governance regime to ensure worker entitlements are safeguarded by strictly limiting WEFs to their stated purpose of protecting worker entitlements.

A Multi-Billion Dollar Industry Operating in the Shadows

An examination of the Australian Electoral Commission’s (AEC) Transparency Register reveals the existence of no fewer than 20 separate WEFs currently in operation across Australia, that make regular financial contributions to trade unions.

These payments have enabled unions to limit the impact of falling revenue from other sources. In 2013, the total income for the CFMEU stood at \$157,816,635, of which ‘only’ \$5,945,512 came from worker entitlement funds (3.77 per cent of revenue). By 2023, total income had fallen to \$134,952,540, following the demerger of the Mining and Energy divisions, while WEF payments had risen to \$30,235,803, or 22.4 per cent of total revenue.²²

More concerning still is the unexplained and extraordinary jump in payments to unions during the 2018-19 financial year – a year that conveniently aligned with the Victorian Election (November 2018), the NSW Election (March 2019), and the Federal Election (May 2019). This trend is also observed in superannuation and training fund payments to unions.

These rivers of gold show no sign of drying up. On the contrary, they are set to swell further as WEFs grow in both size and reach. Australian unions are systematically embedding compulsory payments into an increasing number of enterprise agreements, ensuring a growing and largely unaccountable revenue stream at the expense of taxpayers and employers alike.

Many enterprise agreements mandate Incolink as the exclusive redundancy fund and Cbus as the default superannuation provider. Workers and their employers have no ability to select alternatives that might provide better value-for-money. These agreements ensure that union-aligned entities provide a continuous revenue stream independently of waning union membership dues.

Another recent example of this strategic manoeuvring emerged in New South Wales, where the NSW Rail, Tram and Bus Union (RTBU) attempted to extend the lucrative model into the public transport sector. As part of its latest industrial action, in early 2025, the union demanded that the next enterprise agreement require the NSW Government secure income protection insurance for all covered employees, with terms and the fund most likely chosen by the union itself.²³

²¹ A 2024 Deloitte report, commissioned at the request of APRA, examined nine separate payments from Cbus to the CFMEU, primarily made in 2023-24, amounting to more than \$900,000. The report identified serious governance failures, concluding that Cbus lacked the necessary processes to ensure that its so-called “partnership” payments to the CFMEU aligned with the best financial interests of its members. Deloitte’s findings delivered a damning indictment of Cbus’s internal controls, highlighting a “lack of consistency, appropriate processes, governance failures, and insufficient financial scrutiny” in its decision-making regarding payments to the union ([Andrew Bragg to step up pressure on Cbus chairman Wayne Swan](#), *The Australian*, 4 December 2024)

²² [Construction, Forestry, Maritime, Mining and Energy Union](#), 2022-23 Significant Third Party Return, AEC Transparency Register

²³ [Combined Rail Unions Sydney Trains & NSW Trains Enterprise Bargaining 2024 Log of Claims](#), August 2024 Reissue

Table 3: Growth in payments from worker entitlement funds to Australian unions since 2013-14

Fund Name	2013-14	2021-22	2022-23	2023-24	Total Since 06-07
ACIRT	\$46,287	\$541,231	\$86,809	\$551,544	\$1,811,238
BERT Fund No. 2	\$0	\$450,948	\$6,160,465	\$406,850	\$13,676,459
BERT Welfare Ltd	\$0	\$1,620,926	\$1,472,655	\$1,649,521	\$11,104,857
BEWT	\$0	\$0	\$26,954	\$27,493	\$54,447
BIRST SA	\$140,000	\$50,737	\$53,075	\$130,230	\$3,318,882
CIRT (QLD)	\$0	\$271,597	\$588,703	\$0	\$1,505,738
CIP Ltd	\$0	\$948,375	\$201,071	\$204,826	\$3,472,561
CIPQ	\$399,053	\$61,710	\$62,944	\$63,888	\$2,312,475
Cover Force	\$1,122,004	\$1,229,519	\$1,069,334	\$362,670	\$16,615,935
Distress Mortality & Building F	\$0	\$489,569	\$200,100	\$269,348	\$1,247,366
ELECNET (AUST)	\$34,458	\$540,038	\$7,662,884	\$400,000	\$8,761,130
Incolink	\$12,063,939	\$17,307,414	\$22,538,175	\$23,777,799	\$169,341,664
LeavePlus (Co Invest)	\$0	\$56,880	\$96,775	\$83,765	\$249,581
MERT	\$540,000	\$552,976	\$0	\$0	\$5,778,169
Protect Services	\$0	\$3,325,895	\$1,999,375	\$3,233,367	\$44,626,836
Protect Severance Scheme No.2	\$0	\$4,347,502	\$7,319,570	\$6,015,192	\$17,682,264
Reddifund	\$0	\$0	\$18,700	\$19,800	\$247,956
SEET	\$0	\$0	\$0	\$182,118	\$512,440
TAS Build	\$0	\$0	\$0	\$17,148	\$17,148
U Cover	\$4,620,690	\$2,464,332	\$1,839,796	\$2,871,027	\$42,069,786
Totals	\$18,966,431	\$34,259,649	\$51,397,385	\$40,266,586	\$344,406,932

Table 4: Total payments from worker entitlement funds to Australian unions by year

Year	Total
2006-07	\$1,149,623
2007-08	\$6,990,205
2008-09	\$5,058,376
2009-10	\$3,019,887
2010-11	\$4,216,484
2011-12	\$10,889,368
2012-13	\$13,039,234
2013-14	\$18,966,431
2014-15	\$17,329,311
2015-16	\$18,285,978
2016-17	\$16,809,928
2017-18	\$19,058,683
2018-19	\$48,989,772
2019-20	\$13,176,691
2020-21	\$21,503,341
2021-22	\$34,259,649
2022-23	\$51,397,385
2023-24	\$40,266,586
TOTAL	\$344,406,932

The link between WEFs and the unions is further underscored by the concentration of union and political influence within their executive leadership teams and governance structures. The leadership of many of these funds, such as Incolink as outlined below, is a family tree of union delegates and former Labor politicians and staffers. Many can be found on the board of more than one WEF, training organisation or superannuation fund. This network of union affiliation raises legitimate questions about whether they operate for the benefit of members, or as a financial and strategic arm of the Labor movement.

Case Study: Incolink's Leadership, A Network of Union Power and Political Influence

By far the largest single contributor to unions is Incolink. Responsible for managing redundancy funds, portable sick leave, income protection, and trauma schemes – primarily for Victoria's construction sector – Incolink funnelled an extraordinary \$124,541,464 to the CFMEU over the past decade (2014-15 to 2023-24). Incolink has transferred a total of \$145,891,074 to the CFMEU since 2011-12. Given this quantum of money, it is clear that no small portion of this found its way directly or indirectly into either donations to the Labor Party or political campaigns on behalf of Labor.

Incolink's board includes figures deeply entrenched in Australia's union and ALP establishment, raising serious questions about the governance and financial oversight of the country's largest worker entitlement fund. Among its directors is Zach Smith, the National Secretary of the CFMEU, a union plagued by criminality and legal controversies. Smith has openly advocated for law-breaking, stating: *"Bad laws are made to be broken. That's something I actually believe in."*²⁴

Smith's conduct begs the question as to whether he is fit and proper to be a trustee of an organisation with over \$1.2 billion in assets.

Also sitting on the board is Earl Setches, Federal Secretary of the Plumbing Trades Employees Union, a position he has held since 2002. His union influence extends far beyond Incolink – he serves as the Communication, Electrical and Plumbing Union (CEPU) representative on the board of Cbus, one of Australia's largest industry super funds, and is also a director of the Plumbing Joint Training Fund, yet another entity channelling significant financial resources to unions.

Adding to this web of political and union affiliations, Incolink's CEO, Erik Locke, is a former State Secretary of the Victorian Labor Party.

The Australian Construction Industry Redundancy Trust (ACIRT), established in 1994, also provides redundancy entitlements in the NSW construction sector. The CFMEU and Master Builders NSW are the two largest shareholders, with a 21 per cent stake each. Additional shareholders include the ACTU, AMWU, AWU, CEPU, Ai Group, Civil Contractors Federation, and the Master Plumbers and Mechanical Contractors Association (NSW), each with around a 7 per cent holding. As of July 2023, ACIRT had \$769,616,714 in net assets.²⁵ However unlike Incolink, ACIRT typically distributes its annual income – minus administration and management costs – directly to eligible members, ie. the workers themselves. Surplus funds are used to put downward pressure on premiums, making it the fund of choice for many businesses and employees. It therefore avoids the inherent conflict-of-interest of other funds, whose profits are distributed to unions and employer organisations. Its business model is inherently different to the Victorian-based Incolink.

²⁴ [Why CFMEU boss Zach Smith thinks it's OK to break the law sometimes](#), *Australian Financial Review*, 16 February 2024

²⁵ [Financial Report Australian Construction Industry Redundancy Trust \(ACIRT\)](#), year ended 31 July 2023.

However, the CFMEU is currently attempting to replace ACIRT with Incolink in the NSW construction industry, a move that would generate tens of millions of dollars in additional revenue for the union. In a submission to ASIC in August 2024, the Ai Group stated:

"The CFMEU is currently attempting to coerce employers into contributing into Incolink, rather than ACIRT [Australian Construction Industry Redundancy Trust], through the terms of a new construction industry pattern enterprise agreement that it is pursuing in New South Wales.

*If it is successful, thousands of employees who currently receive annual distributions of investment earnings from ACIRT will no longer receive these funds. Instead, the investment earnings will be transferred to the CFMEU and the other unions and employer associations that sponsor Incolink."*²⁶

This push by the CFMEU is not surprising, considering payments to the union from Incolink, which totalled \$22,685,580 in 2023-24. By comparison, payments from ACIRT to the CFMEU totalled a paltry \$25,000 in the same reporting period.

In February 2025, several Master Builders Victoria (MBAV) directors with concerns about Incolink's poor governance standards publicly accused Incolink of misusing millions of dollars in worker contributions. They allege that Incolink unlawfully forfeits members' funds after two years of inactivity. Rather than transferring these unclaimed funds to a central state fund, as required by Victoria's unclaimed money laws, they are classifying them as surplus for redistribution. Incolink is then able to redirect the money to the CFMEU and MBAV under the pretense of 'subscriptions', 'safety' or 'training' grants. The amount of such transfers totalled as much as \$33 million from 2011 to 2015.²⁷

The CFMEU is also currently attempting to impose Incolink on South Australian builders and subcontractors, following the Victorian branch's takeover of its South Australian counterpart. The CEO of Master Builders South Australia, Will Frogley, has said:

*"Since the Victorians took over the SA branch of the CFMEU a few years ago they have tried to force local builders and subcontractors to pay into this fund because that means more money going back to them. When they have had bad luck forcing people in SA to sign up to this fund they've just brought in Victorian subcontractors who they're closely aligned with. It's absolutely disgraceful."*²⁸

Mr Frogley has also taken aim at his Victorian counterparts at MBAV, accusing them of being 'absolutely as thick as thieves with the CFMEU' as they, too, are 'massive beneficiaries of this Incolink fund as well'. These comments are not surprising, given that it has been reported that MBAV would be insolvent if not from the profits it makes from Incolink.²⁹

²⁶ Ai Group, 'Ai Group Submission: CS9 - Proposed Extension in Employee Entitlement Fund Relief' (23 August 2024)

<https://download.asic.gov.au/media/s24plp2u/cs-9-ai-group-submission.pdf>.

²⁷ [CFMEU redundancy fund 'misuse' of worker money sparks regulation call](#), *Australian Financial Review*, 4 February 2025

²⁸ [Master Builders Association splits over CFMEU support](#), *The Australian*, 20 March 2025

²⁹ [How builders got captured by the CFMEU's \\$1.2b redundancy fund](#), *Australian Financial Review*, 6 December 2024

Despite all this, the Department of Employment and Workplace Relations saw fit to award Incolink a \$5,488,195 grant, under the Building Women's Careers (BWC) Program. The funding is to "build partnerships that drive structural and cultural change ... and increase women's participation in and completion of VET courses".³⁰ This grant to supposedly assist women was made in the same month as media reports revealing sickening violence and discrimination towards women by misogynist CFMEU officials.

FINANCIAL REVIEW

4 February 2025

CFMEU redundancy fund 'misuse' of worker money sparks regulation call

FINANCIAL REVIEW

27 May 2024

CFMEU push to end workers' returns under redundancy fund

³⁰ [Grant Award View - GA441235](#), GrantConnect, last updated 7 March 2025

A Tangled Web

An increasingly intricate web of connections and overlapping directorships now exists between worker entitlement funds, industry training organisations, and industry superannuation funds. This network of politically incestuous relationships raises critical questions about governance and transparency within Australia's industrial and financial landscape.

The Trifecta - Earl Setches

As well as being Secretary of the Plumbing and Pipe Trades Employees Union, Earl Setches sits on the boards of a worker entitlement fund, a training fund and an industry super fund. The three organisations for which Mr Setches serves as the union representative, to 'represent the interests of members and workers', paid unions a total of \$25,019,470 in 2022-23:

- Board Member, Incolink (paid \$22,538,175 to unions in 2022-23)
- Board Member, Plumbing Joint Training Fund (paid \$423,158 to unions in 2022-23)
- Member Director, Cbus Industry Super (paid \$2,058,137 to unions in 2022-23).

According to the Plumbers' Union's National Divisional Branch's *Officer and related party disclosure statement (ORP Statement)* supplied to the Fair Work Commission, Mr Setches' salary was set at \$250,554 plus superannuation, for the calendar year 2023. During this same year, the CEPU pocketed \$189,247 (more than two thirds of Mr Setches salary) in directors fees for his services on the boards of Cbus, Incolink and Plumbing Joint Training Fund.³¹ More than half, or \$97,894, of this amount came from Cbus alone.³²

In addition to these duties, Mr Setches also serves as a Board Member of the Victorian Building Authority Plumbing Advisory Council and the Building Industry Consultative Committee, both Victorian government bodies.

In response to the Government's attempts to clean up the criminal elements of the CFMEU, Mr Setches threatened to withhold campaign funding from Labor in retaliation.³³

"The world's changed ... We will be open-minded to support candidates who support working people, be it across the crossbenches."

With such large sums of money at his disposal, it remains to be seen if the Labor Party can afford to ignore Mr Setches and the many other union officials sitting atop the various funds that bankroll the party.

³¹ [CEPU National Council Officer and Related Party Disclosure Statement for the period 1 January 2023 to 31 December 2023](#), Fair Work Commission

³² [CBUS Super 2024 Annual Report Report](#), Directors' Report p.7

³³ [Unions warn Albanese 250,000 members may abandon Labor at next election as bitter rift widens | Australian trade unions](#), *The Guardian*, 18 October 2024

The Guardian

18 October 2024

Unions warn Albanese 250,000 members may abandon Labor at next election as bitter rift widens

Herald Sun

12 December 2022

Plumbing union Earl Setches accused of headbutting Transport Workers Union assistant secretary Mem Suleyman

The head of Victoria's plumbing union has been accused of headbutting another influential union official at a Christmas party.

Urgent Need for Reform

To address these governance failures and safeguard worker entitlements, the following reforms are necessary:

- 1. End the ASIC exemption** - End the exemption for employee redundancy funds from the managed investment and associated provisions of the *Corporations Act 2001*, first granted by ASIC in 2000. Require such funds to:
 - a. hold an Australian Financial Services licence with appropriate authorisations;
 - b. register the employee redundancy fund as a managed investment scheme; and
 - c. comply with the managed investment provisions in the *Corporations Act 2001* and other associated provisions, including those relating to product disclosure statements, ongoing disclosure requirements and the anti-hawking provisions.
- 2. Introduce a 'Best Financial Interests of Members' requirement**, as now applies to superannuation funds.

The unchecked financial influence of WEFs underscores the urgency of regulatory reform. A robust governance framework – one that aligns WEFs with the fiduciary and transparency requirements imposed on similar financial entities – is imperative. The continuation of the status quo risks entrenching a system where worker entitlement funds serve primarily as a financial instrument for union and ALP interests, rather than a safeguard for those they purport to protect.

Training Funds

The relationship between trade unions and industry training funds is well established, particularly in sectors where unions wield considerable influence over workplace safety and accreditation. Many unions administer dedicated training funds, with these funds overwhelmingly financed through employer contributions that are mandated under union-negotiated enterprise bargaining agreements.

Training funds contributed \$8,874,215 to unions in 2023-24. In total, the training funds identified in this report have paid \$60,348,384 to Australian unions since 2006-07. This money is purportedly allocated for the delivery of training programs and mandatory certifications, such as BlueCard registrations.

However, an examination of financial flows over the past decade reveals a notable pattern. Between 2013 and 2024, payments to unions from such funds have more than doubled. Of particular note is a sharp spike in payments during the 2018-19 financial year – which as has previously been noted, coincided with a triple-election year. The absence of a clear justification for this surge casts doubt on the legitimacy of these payments, and shows how training funds can be used for profiteering by unions to cross-subsidise other spending, particularly on political campaigns.

Some unions, such as the CFMEU, blatantly use these funds to price gouge and extract ever-greater financial commitments from employers. Under a 2024 enterprise agreement advanced by the CFMEU, builders in New South Wales would have been compelled to pay an estimated \$35,000 per worker, over the agreement's lifespan, to financial entities controlled by the union.³⁴

³⁴ [CFMEU pushing new enterprise agreement that could mean building companies cop \\$35k hit](#), *Daily Telegraph*, 26 May 2024

Amongst other things, the agreement mandates a \$400 per worker contribution to a training fund controlled by the ACT branch of the CFMEU – for silica handling training for new employees – alongside a further \$400 for retraining every three years. The union is using agreements such as this to monopolise the market for silica training and then engage in price gouging – the same \$400 training course cost only \$200 in 2022.

For the first time, NSW builders would also be compelled to contribute \$1 per worker per week to a training fund under the control of the NSW Construction Division, with Incolink tasked with collection. This levy was set to double to \$2 per week by 2030, representing a 12.5% rate of inflation – extreme price gouging by the union.

The entity that was to oversee these funds, Construction and Building Industries Training Ltd, was formally registered in May 2024 only weeks before the union sought to insert it into the industry wide Enterprise Bargaining Agreement.

These financial obligations, baked into the union’s agreement as a legal monopoly, underscore the escalating flow of funds from employers into the coffers of union-controlled entities. Far from being a benign mechanism to promote workplace safety and skills development, such arrangements serve to monopolise union financial power and profiteering under the guise of worker training or safety.

Table 5: Payments from training funds to Australian unions

Fund Name	2013-14	2021-22	2022-23	2023-24	Totals Since 06-07
AEU Education Services Inc	\$0	\$57,442	\$57,976	\$60,972	\$316,944
BCITF	\$44,000	\$0	\$0	\$0	\$2,128,495
CEPU Training & Education Centre	\$0	\$635,178	\$1,804,715	\$0	\$3,190,062
CITC	\$0	\$82,000	\$60,000	\$110,000	\$580,445
CITF	\$873,033	\$0	\$0	\$0	\$3,373,144
CIWETRAL	\$0	\$0	\$36,680	\$46,699	\$594,204
Combined Skills Training Assoc	\$0	\$0	\$153,693	\$51,575	\$205,268
Construction Skills QLD (CSQ)	\$115,500	\$429,000	\$360,250	\$1,262,800	\$4,317,443
CSI	\$425,000	\$111,249	\$582,671	\$4,171,783	\$7,407,039
Electro Group	\$0	\$0	\$0	\$0	\$3,374,211
Electrogroup Training	\$0	\$121,000	\$319,917	\$166,375	\$702,579
Electro Group Apprentices	\$0	\$0	\$0	\$0	\$317,572
Fire Industry Joint Training Fund	\$0	\$0	\$296,285	\$165,000	\$571,285
Future Skills Limited	\$0	\$272,257	\$759,313	\$1,164,005	\$4,093,036
GET	\$15,840	\$85,493	\$75,451	\$90,891	\$430,391
Health Edu. & Research Centre	\$0	\$658,292	\$77,139	\$176,859	\$912,290
JETCO	\$21,700	\$0	\$306,000	\$208,717	\$2,522,138
Maritime Employees Training Ltd	\$123,860	\$814,000	\$49,500	\$311,250	\$4,269,009
Plumbing Industry Climate Action Centre	\$0	\$762,083	\$757,205	\$787,289	\$6,384,964
Plumbing Joint Training Fund	\$1,535,131	\$1,445,153	\$423,158	\$0	\$13,011,046
Service Trades Queensland (STQ)	\$243,690	\$100,001	\$100,000	\$100,000	\$1,646,819
TOTALS	\$3,397,754	\$5,573,148	\$6,219,953	\$8,874,215	\$60,348,384

Table 6: Total payments from training funds to Australian unions by year

Year	Total
2006-07	\$924,363
2007-08	\$784,930
2008-09	\$1,371,857
2009-10	\$1,467,493
2010-11	\$986,207
2011-12	\$484,217
2012-13	\$847,500
2013-14	\$3,397,754
2014-15	\$3,370,362
2015-16	\$4,488,251
2016-17	\$3,378,526
2017-18	\$3,541,262
2018-19	\$5,429,099
2019-20	\$4,210,513
2020-21	\$4,998,734
2021-22	\$5,573,148
2022-23	\$6,219,953
2023-24	\$8,874,215
TOTAL	\$60,348,384

Superannuation

Transparency? Compliance? Controversy.

The superannuation industry serves as a custodian of Australians' retirement savings, with investment and expenditure decisions directly influencing the retirement outcomes of millions of Australians. It is other peoples' money held in trust for them by the funds. While we rightly expect every dollar of members' funds to be invested and spent judiciously, our analysis reveals an alarming increase in payments by Australian superannuation funds to unions that cannot be in members' best financial interests.

Payments to unions from industry super funds have risen from \$2,376,849 in 2006-07, to over \$7,757,549 in 2023-24, peaking at \$12,858,894 in the 2018-19 triple election year. According to disclosures from the Australian Electoral Commission, AustralianSuper paid unions \$1,276,788 in 2023-24. Even more striking, Cbus, the superannuation fund linked to the CFMEU, directed \$2,141,566 to trade unions in the 2023-24 financial year alone, and a staggering \$14,500,468 over the decade to 2023-24.³⁵ This amount raises further questions about the scale and justification of these financial transfers.

Industry super funds channel millions of dollars to unions under the guise of covering board member expenses, 'training', or 'administrative costs' tied to their governance roles. Additionally, some funds purport to direct payments to unions as 'sponsorships' for events, conferences, or campaigns ostensibly aimed at promoting superannuation 'awareness' among workers. With little transparency or accountability, the diversion of retirement savings in ever increasing amounts, appears to be without tangible benefit to fund members.

Rather, it seems this diversion of retirement savings is a means to subsidise the business-as-usual activities of unions. These payments are increasingly covering staff wages and administrative expenses, functions entirely unrelated to securing better retirement outcomes.

In September 2024, APRA brought legal proceedings against the co-chair of First Super, Michael O'Connor over allegations that he breached his duties as a director by failing to act in the best financial interests of fund members. Mr O'Connor also served as a Divisional Secretary of the CFMEU at the same time. Mr O'Connor is accused of using First Super's resources to cover the salary of a union employee while the employee continued to work for the union. Additionally, Mr O'Connor stands accused of seeking to increase the fees First Super paid to the CFMEU, and is alleged to have seen a contract renewal as an *'opportunity to get some more money out of the fund.'*³⁶

Since 2017, First Super and the CFMEU have engaged in an agreement known as the Member and Employer Co-ordinator Services Agreement, or MECS contract. Under the arrangement, the union manages the employment of a coordinator 'responsible for recruiting and retaining First Super members'. First Super reimburses the CFMEU the employee's fees and expenses.

³⁵ Includes United Super

³⁶ [Messages show how powerful union slugged workers' retirement savings](#), Sydney Morning Herald, 6 January 2025

The Sydney Morning Herald

6 January 2025

More money for the union

In October 2017, First Super and the CFMEU entered into a written deal known as the Member and Employer Co-ordinator Services Agreement, or MESC contract. Under the arrangement, the union was to manage the employment of the co-ordinator responsible for recruiting and retaining First Super members, while the fund would pay the union the employee's fees and reimburse their expenses.

Two years later, O'Connor told a union employee, known as CS, the board of First Super had or would approve the contract's extension without going to tender. He told CS this was "an opportunity to get some more money out of the fund", according to court documents obtained by this masthead.

The Sydney Morning Herald

6 January 2025

Messages show how powerful union slugged workers' retirement savings

The Sydney Morning Herald

6 January 2025

Union boss denies misusing position as super fund board director

The increasing flow of payments to Australian unions demands greater scrutiny as to whether these transactions provide genuine value for members or merely serve union profiteering.

The Nature of Union-Directed Payments

Superannuation funds allocate payments to unions through several channels:

- **‘Member Services’** – Unions conduct ‘workplace education’ on superannuation entitlements and financial literacy.
- **Training and Industry Programs** – aimed at enhancing industry standards and workplace safety.
- **Sponsorships and Affiliations** – Industry funds ‘sponsor’ union-led events and initiatives, or direct advertising revenues to union affiliated media outlets.
- **Governance and Representation** – Payments also extend to union participation in super fund governance structures.

While unions and industry funds may assert that these financial arrangements serve the interests of members, serious questions remain.

Director payments frequently exceed standard director remuneration by a substantial margin. According to Board Direction Australia, the average remuneration for a non-executive director for large non-listed companies and public companies in Australia is \$74,595 per year.³⁷ However, AustralianSuper’s 2024 Annual Financial Report reveals that, for the six months of the 2023-24 financial year for which ACTU President Michelle O’Neil was a director, the fund paid the ACTU a total of \$169,784. It also paid the Australian Workers’ Union \$134,979 for the nine months its Assistant Secretary Misha Zelinsky served as a director.³⁸ The AMWU picked up \$187,468 for Glenn Thompson’s 12 months of service – greater than the salary the AMWU paid Mr Thompson, of \$170,828, according to its Officer and Related Party Disclosure Statement supplied to the Fair Work Commission – for the financial year ending September 2024.³⁹

Further, there remains little explanation for the staggering threefold increase in payments from super funds to unions over the decade leading to 2022-23. And, more strikingly, there appears no explanation for the sudden spike in superannuation-linked payments to unions in the 2018-19 financial year, which saw three elections.

Regulatory Oversight and Compliance

APRA has also observed that director fees paid to unions by industry super funds frequently exceed standard director remuneration. Addressing a Senate estimates hearing in 2023, APRA Deputy Chairwoman Margaret Cole acknowledged the regulator’s inability to ascertain what proportion of these payments may ultimately be funnelled into political donations, given that APRA does not regulate unions. However, Ms Cole indicated that APRA is scrutinising other financial arrangements between super funds and unions, stating that the regulator is examining “*other forms of expenditure passing between super funds and unions*”.⁴⁰

The *Superannuation Industry (Supervision) Act 1993* mandates that trustees act in the best financial interests of fund members. APRA and ASIC are responsible for overseeing superannuation fund compliance. It is questionable as to whether they are appropriately discharging this duty to ensure payments to unions adhere to the standards required by the legislation. However, it is evident that these financial transfers to unions lack clear justification in terms of member benefits, highlighting a need for enhanced transparency and stricter regulatory measures.

³⁷ [Directors Remuneration - How much do Board Members get paid?](#), Board Direction Australia, April 2024

³⁸ AustralianSuper 2024 Fund Annual Financial Report, 30 June 2024

³⁹ Officer and Related Party Disclosure Statement for the Automotive, Food, Metals, Engineering, Printing, and Kindred Industries Union (AMWU), for the financial year ending September 2024 ([ORP2024/287](#))

⁴⁰ [APRA investigates industry super payments to unions](#), *Australian Financial Review*, 31 May 2023

A 2024 Deloitte report, commissioned at the request of APRA, examined nine separate payments from Cbus to the CFMEU, primarily made in 2023-24, when Wayne Swan was chairman of Cbus, at the same time he was National President of the Labor Party. These payments totalled more than \$900,000. The report identified serious governance failures at Cbus, concluding that the super fund lacked the necessary processes to ensure that its so-called ‘partnership’ payments to the CFMEU aligned with the best financial interests of its members. Deloitte’s findings delivered a damning indictment of Cbus’s internal controls, highlighting a ‘*lack of consistency, appropriate processes, governance failures, and insufficient financial scrutiny*’ in its decision-making regarding payments to the union.⁴¹

While these sizable payments may only amount to a few dollars per member, as those familiar with Industry Super’s ‘compare the pair’ campaign will know, a little bit can add up to a lot over a lifetime.

Table 7: Payments from superannuation funds to Australian unions

Fund Name	2013-14	2021-22	2022-23	2023-24	Total since 06-07
Auscoal Services Pty Ltd	\$47,483	\$39,068	\$319,446	\$222,970	\$954,354
Auscoal Superannuation Pty Ltd	\$0	\$107,438	\$18,736	\$0	\$602,977
Australian Super	\$569,158	\$673,599	\$1,073,185	\$1,276,788	\$9,694,001
Australian Super (LUCRF Pty Ltd)	\$668,632	\$733,716	\$191,214	\$0	\$10,832,765
AWARE Super	\$0	\$127,050	\$217,727	\$368,720	\$979,551
ART	\$0	\$0	\$19,496	\$113,619	\$133,115
ART (Group Services)	\$0	\$0	\$0	\$50,561	\$50,561
ART (Q Super)	\$0	\$96,433	\$0	\$0	\$236,471
ART (SunSuper)	\$76,208	\$131,668	\$88,173	\$0	\$984,410
BUSSQ	\$165,144	\$406,045	\$476,713	\$447,785	\$5,939,343
CARE Super	\$110,070	\$28,012	\$131,751	\$124,612	\$2,359,602
CBUS	\$0	\$0	\$404,253	\$1,521,856	\$2,990,408
CBUS (United Super)	\$418,588	\$1,462,040	\$1,543,884	\$619,710	\$13,847,372
CBUS (CONST & BLDG IND. SUPER)	\$0	\$43,975	\$110,000	\$0	\$544,389
CBUS (Trustee for)	\$0	\$0	\$110,000	\$0	\$110,000
Energy Industry Superannuation	\$161,875	\$60,533	\$63,695	\$0	\$2,325,827
Energy Super	\$38,850	\$104,890	\$0	\$0	\$1,535,840
First Super	\$0	\$2,543,521	\$0	\$260,389	\$21,081,847
HESTA	\$56,807	\$495,991	\$710,669	\$538,243	\$4,554,764
Host Plus	\$681,292	\$269,518	\$763,473	\$456,665	\$11,273,376
Host Plus (InTrust)	\$0	\$23,479	\$0	\$0	\$241,279
Industry Super Australia	\$0	\$66,000	\$66,000	\$66,000	\$264,000
Industry Fund Services	\$456,810	\$38,500	\$66,000	\$44,000	\$8,370,301
Maritime Super	\$294,060	\$339,387	\$320,017	\$44,503	\$3,506,973
Mine Super	\$0	\$202,196	\$332,807	\$43,100	\$1,671,919
NESS Super	\$75,456	\$105,372	\$57,378	\$58,779	\$955,230
REST	\$151,554	\$185,356	\$296,300	\$284,452	\$1,704,812
State Super STC	\$40,233	\$28,560	\$28,560	\$28,560	\$390,258
TWU Super	\$852,716	\$836,918	\$869,073	\$908,139	\$14,364,534
Vision Super Fund	\$0	\$256,076	\$299,748	\$278,098	\$1,513,789
TOTALS	\$4,864,936	\$9,405,341	\$8,578,298	\$7,757,549	\$124,014,068

*Some funds may have multiple vehicles or names, such as CBUS

⁴¹ [Andrew Bragg to step up pressure on Cbus chairman Wayne Swan](#), *The Australian*, 4 December 2024

Table 8: Payments from superannuation funds to Australian unions by year

Year	Total
2006-07	\$2,376,849
2007-08	\$2,406,295
2008-09	\$3,553,769
2009-10	\$4,629,142
2010-11	\$5,166,028
2011-12	\$6,090,748
2012-13	\$5,670,989
2013-14	\$4,864,936
2014-15	\$5,924,754
2015-16	\$7,869,114
2016-17	\$5,781,685
2017-18	\$9,716,210
2018-19	\$12,858,894
2019-20	\$9,276,469
2020-21	\$12,086,998
2021-22	\$9,405,341
2022-23	\$8,578,298
2023-24	\$7,757,549
TOTALS	\$124,014,068

Super Governance: Board Members with Union and ALP Links

The boards of Australia’s industry super funds are heavily dominated by union officials and Labor Party figures, ensuring that hundreds of billions in retirement savings remain under the influence of the union movement and its political allies. In many cases, even so-called independent directors often have deep ties to either the union movement or the Labor Party, reinforcing a governance structure that is unlikely to serve the best interests of members.

The following highlights the union and Labor affiliations of board members across some of Australia’s most prominent industry super funds, exposing the depth of political influence within their governance structures.

Cbus

A construction-focused fund, managing over \$94 billion in assets for its 920,000 members.

Directors:

- ‘Independent’ Chair **Wayne Swan**, former Labor Treasurer; Labor Party National President
- **Earl Setches**, National Secretary, Plumbing Trades Employees Union; Board Member Incolink; Board Member Plumbing Joint Training Fund
- **Paddy Crumlin**, CFMEU National President; Maritime Union National Secretary
- **Jason O’Mara**, former ACT President of the CFMEU
- **Lucy Weber**, CFMEU Legal Director
- **Abha Devasia**, Australian Manufacturing Workers’ Union National Legal Manager
- **Kade Wakefield**, Australian Workers’ Union Assistant National Secretary

AustralianSuper

Australia’s largest superannuation fund, overseeing more than \$341 billion in retirement savings for a membership base exceeding 3.4 million.

Directors:

- ‘Independent’ Chair **Don Russell**, Principal Adviser to Paul Keating both during his time as Treasurer and Prime Minister
- **Julia Angrisano**, Finance Sector Union National Secretary; Executive Member of the ACTU
- **Michele O’Neil**, ACTU President
- **Jo-anne Schofield**, National President of the United Workers Union and ACTU Vice President
- **Glenn Thompson**, Acting National President Australian Manufacturing Workers’ Union
- **Misha Zelinsky**, former Australian Workers’ Union Assistant National Secretary; former Cbus Director; former ALP preselection federal candidate for the seat of Cunningham

HESTA

Maintains strong ties to the health services and community sectors, serving over 1.05 million members and managing nearly \$88 billion in superannuation assets.

Directors:

- 'Independent' Chair **Nicola Roxon**, former Labor Minister
- **Helen Gibbons**, Executive Director at United Workers Union
- **Kate Marshall**, Senior National Assistant Secretary of the Health Services Union; ALP Member
- **Angela van Vorst**, Australian Nursing and Midwifery Federation representative
- **Emeline Gaske**, Australian Services Union National Secretary; Executive Member, ACTU; Member, Australian Labor Party (ALP); National Executive Finance, Risk and Audit Committee
- **Emma Maiden**, Member of the Australian Services Union, NSW Branch
- **Angela van Vorst**, Professional Officer, Superannuation - NSW Nurses and Midwives Association; Member of the NSW Nurses and Midwives Association
- **Robert (Rob) Bonner**, Former Executive Director, Operations for the Australian Nursing and Midwifery Federation (ANMF) South Australian Branch

Care Super

A diversified industry fund with over 573,000 members and more than \$53 billion in managed assets.

Directors:

- **Chair Linda Scott**, former Deputy Lord Mayor and Labor Councillor for the City of Sydney Council
- **Andrew Dettmer**, former Australian Manufacturing Workers' Union National President
- **Jessica Munday**, Secretary of Unions Tasmania; Executive Member of the ACTU
- **Rebecca Girard**, Industrial Coordinator at the Australian, Municipal, Administrative, Clerical and Services Union Queensland (ASU); Director of the Community Services Industry (Portable Long Service Leave) Authority
- **Tom Lynch**, Federal President of the CPSU's State Public Service Division and Joint National President of the CPSU
- **Tony Cavanagh**, nominated by the Australian Services Union

TWU Super

Servicing the transport sector, the fund manages \$7 billion in assets with a membership base of nearly 100,000 workers.

Directors:

- 'Independent' Chair **Nick Sherry**, former Labor Minister
- **Richard Olsen**, Transport Workers' Union (TWU) NSW State Secretary
- **Michael Kaine**, TWU National Secretary
- **Tim Dawson**, TWU National President and WA State Secretary
- **Sam McIntosh**, Branch Secretary of TWU SA/NT Branch and Member of the State Executive of the South Australian Labor Party
- **Nick McIntosh**, TWU National Assistant Secretary and Assistant Secretary of the NSW Branch
- **Emily McMillan**, TWU National Assistant Secretary

First Super

Maintains strong ties to industries such as furniture and joinery, pulp, timber, and paper. Represents 70,000 members and oversees \$4.67 billion in managed assets.

Directors:

- Co-chair **Michael O'Connor**, Divisional Secretary of the Construction Forestry Maritime Mining & Energy Union - Manufacturing Division and Director at Industry Super Australia; Director at Secure Employees Entitlements Trust Pty Ltd (SEET)
- **Denise Campbell-Burn**, Division President of the CFMEU
- **Anthony Pavey**, Secretary of the Maryvale Sub-Branch of the CFMEU Pulp & Paper Workers District; Junior Vice President of the CFMEU Pulp & Paper Workers District; Member of the Manufacturing Division Executive Committee.
- **Scott McDine**, Former Executive Member of the ACTU; former National Secretary of the Australian Workers Union.
- **Casey Thompson**, Worker's Capital Manager at the ACTU; former Labor staffer

REST Industry Super

A retail industry-focused fund with approximately 2 million members and \$86 billion in managed assets.

Directors

- 'Independent' Chair **James Merlino**, former Labor Deputy Premier of Victoria; Chair of the Victorian government Suburban Rail Loop Authority
- **Adam Walk**, nominated by the Shop, Distributive and Allied Employees Association (SDA)
- **Helen Cooney**, National Assistant Secretary of the SDA; Member of the Executive of the ACTU
- **Mitchell Worsley**, Industrial Officer with the SDA
- **Catherine Bolger**, Nominated by the SDA; Director of State Super; Trustee of Unions NSW
- **Gerard Dwyer** (Alternate Director), National Secretary-Treasurer of the SDA; Senior Vice President of the ACTU; Member of the ALP National Executive; Director of The Trade Union Education Foundation Limited; Director of ACTU Member Connect; Director of the John Curtin Research Centre
- **Michael Donovan** (Alternate Director), State Secretary-Treasurer SDA Victoria

Hostplus

With a membership base of 1.8 million spanning multiple industries, the organisation oversees the management of \$115 billion in assets.

Directors:

- **Tim Lyons**, appointed by United Workers' Union (UWU); former Assistant Secretary of ACTU
- **Gary Bullock**, State Secretary UWU Queensland; Labor power broker, Director of Labor Enterprises Pty Ltd; Member ALP Administration Committee; Director Labor Holdings Pty Ltd; Management Committee Member Queensland Council of Unions; Director Bundaberg Queensland Council of Unions
- **Jess Rudd**, Solicitor; Chief Executive of The Parenthood; daughter of former Labor Prime Minister Kevin Rudd
- **Bev Myers**, Deputy Director UWU
- **Julie Korlevska** (Alternate Director), Deputy Director UWU

Time to Strengthen Governance Standards

With more than six million Australians belonging to an industry super fund, a sweeping overhaul of governance standards is sorely needed to ensure they operate only for the benefit of members and not unions or political parties.

1. **Tighten fitness and propriety standards** with regular reassessments and mandatory disclosures of material changes – such as union or party political affiliations; other executive and board appointments; criminal convictions or investigations or associations with organisations under investigation.
2. **Mandate board expertise** to align professional backgrounds with operational and regulatory needs.
3. **Enhance governance** by introducing a requirement that a majority of superannuation trustee boards be comprised of independent directors and have genuinely independent chairs.
4. **Empower the Australian Prudential Regulation Authority (APRA)** to remove trustees where a material conflict of interest is identified, ensuring accountability and regulatory integrity.
5. **Cap non-executive director tenure at 10 years** to foster board renewal. A lack of scrutiny, for too long, has led to deficiencies in board competencies, the fitness and propriety of directors to serve, and rampant conflicts-of-interest. These reform proposals, in line with recommendations from APRA, would help to recalibrate industry standards and would result in greater accountability for members.

Pork Barrelling to Unions: A Taxpayer-Funded Windfall for Labor

Union Welfare Disguised as Public Policy

Labor governments at both state and federal levels have turned public funds into a lucrative revenue stream for trade unions – organisations already sitting on substantial financial reserves. Under the guise of ‘workplace programs’, millions in taxpayer dollars have been directed to unions, often without competition, oversight, or any policy justification.

When last in government from 2007 to 2013, Labor directed over \$27 million in taxpayer funds to unions, including through the so-called Productivity Education and Training (PET) Fund. Much of it was used to subsidise unions’ core operations.⁴²

The majority of these grants – approved by Bill Shorten as Minister for Workplace Relations – included \$11 million for the ACTU’s training arm, the Trade Union Education Foundation. It covered \$20 million for union delegate training and \$2.2 million to represent workers at the Fair Work Commission and Safe Work Australia – core union business that they would undertake regardless.

Additionally, unions such as the Australian Services Union, CFMEU, and United Voice collectively received \$1.3 million to educate workers on workplace issues – effectively channelling public money into activities that they would perform anyway.

The PET Fund was scrapped by the Coalition Government in 2013. It was then quietly brought back by the Albanese Government in its first budget. Since coming to government in 2022, Labor has allocated \$88.9 million to this fund across its first three budgets. The Department of Employment and Workplace Relations has, to date, invited five organisations to participate via a closed, invitation-only selection process.⁴³

In addition to the PET, AEC Transparency data reveals that the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) paid out \$1,054,070 to the Australian Education Union in the 2023-24 financial year.

The Department of Education paid a combined total of \$340,537 to the AMWU and the Australian Nursing & Midwifery Federation (ANMF) in 2022-23, and a further \$46,200 to the AMWU in 2023-24. The Department of Health and Ageing paid out a sizable \$6,419,564 to the ANMF, and the Australian Digital Health Agency \$37,125.

Analysis reveals that Victorian unions also collect large sums from the State Government; with WorkSafe Victoria paying unions \$526,697 in 2023-24, having paid out \$1,185,839 in the 2022-23 financial year. The Victorian Department of Health paid unions \$368,860 in 2023-24, and the Victorian Department of Education an astounding \$1,465,949. This is in addition to the \$3,697,568 the department paid to unions in 2022-23.

AEC analysis also reveals some curiously large payments from local councils to unions. For instance, Blacktown City Council, in Sydney’s west, pays a monthly subscription to the United Services Union (Local Government). For the financial year 2023-24, payments totalled \$526,067.⁴⁴ A nearby council, Canterbury-Bankstown paid

the USU \$348,234, while Penrith City Council made payments to the union totalling \$195,374.^{45 46} Further afield, Central Coast Council appears to have paid subscription fees totalling \$403,791 for the year.⁴⁷

The financial position of major unions belies any need for government support. The movement collectively holds over \$1.8 billion in assets and generates in excess of \$800 million in annual income. Yet unions continue to receive substantial public funding for activities that constitute standard union functions. The blatant use of taxpayer funds to subsidise union operations raises a fundamental question: Why are these wealthy entities being treated like charities?

Case Study: The Productivity, Education, and Training Fund - A Union Slush Fund?

One of the most glaring examples of taxpayer-funded largesse is the so-called Productivity, Education, and Training (PET) Fund – a program originally created by the Gillard Labor Government, axed by the Coalition, and quietly reinstated under the Albanese Government.

The first iteration of the PET Fund was marred by scandal.

In 2017, it was revealed that \$11 million in grants was handed to the ACTU with no clear milestones, no claw-back provisions for the money to be returned if it was not spent, and no accountability mechanisms. Five years later, just \$3.5 million had been spent – an implicit admission that the funds that had been gifted were never needed. The then-Coalition government asked the ACTU to re-pay the unspent funds. The ACTU refused. The Coalition abolished the program, but it has since been revived by Labor. Since coming to government in 2022, Labor has allocated \$88.9 million to the PET across its first three budgets.

Budget papers confirm that PET Fund grants are allocated for unions and employer groups to engage in “business-as-usual” activities. The 2022-23 Budget committed:

“\$8.9 million over 3 years from 2023-24 to establish a Productivity, Education and Training Fund to support employer and union representatives to improve safety, fairness and productivity in workplaces.”⁴⁸

The following year, the government more than doubled its commitment, with 2023-24 Budget Paper 2 committing:

“\$20.0 million over two years from 2023-24 to increase the Productivity, Education and Training Fund, to support engagement and practical activities of worker and employer representatives with workplace reforms as they progress the implementation of the Government’s Workplace Relations agenda.”⁴⁹

45 [Canterbury Bankstown](#) 2022-23 Associated Entity Annual Return, AEC Transparency Register

46 [Penrith City Council](#) 2022-23 Associated Entity Annual Return, AEC Transparency Register

47 [Central Coast Council](#) 2022-23 Associated Entity Annual Return, AEC Transparency Register

48 [Budget 2022-23](#) (October)

49 [Budget Paper No. 2](#) | Budget 2023-24

42 [‘Shorten questioned over \\$27m in union subsidies’](#), *Australian Financial Review*, David Marin-Guzman (12 September 2017).

43 [Productivity, Education and Training Fund](#), Community Grants Hub Portal

44 [Blacktown City Council](#) 2022-23 Associated Entity Annual Return, AEC Transparency Register

In May 2024, the Budget allocated a further \$60 million to the PET fund to:

“support practical activities by employer and worker representatives to boost workplace productivity and engage in tripartite cooperation.”

However, there was no explanation as to why the amount of funding should triple in size in just 12 months.⁵⁰

Rather than an open, merit-based process, grants were issued on a non-competitive, invitation-only basis. The application window lasted less than two weeks, with all four of the invited applicants who responded receiving funding. Department of Employment records indicate that half of this money has gone directly to the ACTU.

Freedom of Information documents reveal that \$13.8 million has been granted to the ACTU over three years, paid in lump sums with minimal accountability.⁵¹ The grant assessment documents state its purpose as:

“Purpose of Grant: The PET Fund implements an outcome of the 2022 Jobs and Skills Summit, insofar as business, unions and Government committed to work proactively together to strengthen tripartism and constructive social dialogue in Australian workplace relations.”⁵²

In reality, these funds merely subsidise the ACTU’s routine activities – policy advocacy and training of union officials, which are ‘core business’ activities that it already funds itself. No conflicts of interest were declared despite the ACTU’s deep ties to the Labor Party, and the funding is set to continue throughout the next federal election cycle. By covering core operational costs with taxpayer dollars, the ACTU is freed up to redirect its other financial resources towards election campaigning.

The Daily Telegraph

19 May 2024

Government triples union ‘slush fund’ with extra \$60m in budget

⁵⁰ [Budget Paper No. 2](#) | Budget 2024-205, p 96

⁵¹ [Productivity, Education and Training Fund Grant \(ACTU\) - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](#), p 149

⁵² [Productivity, Education and Training Fund Grant \(ACTU\) - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](#), p 87 and p 147

Corporate Welfare Disguised as Public Policy

The ACTU and its affiliated unions are far from struggling. According to the AEC, the ACTU’s 2023–24 income exceeded \$27 million.⁵³ Despite this, the Albanese Government has faced no scrutiny over why taxpayers should foot the bill for over \$13 million in routine ACTU operation expenses. The PET Fund is a textbook example of corporate welfare – using public money to prop up Labor-affiliated organisations with vast financial resources and a vested interest in influencing elections. It is a textbook example of pork-barrelling.

Another particularly glaring grant is the recent awarding of \$5,488,195 to the CFMEU controlled Incolink, under the Building Women’s Careers (BWC) Program. The funding, provided through the Department of Employment and Workplace Relations was awarded to:

“build partnerships that drive structural and cultural change addressing workplace safety and culture, gender-based discrimination.”⁵⁴

This comes in the same month in which it was announced the Fair Work Ombudsman had commenced an investigation into the mistreatment of women in the construction sector. Many of the perpetrators are alleged to have connections to and, in some cases, even the protection of the CFMEU.⁵⁵ National Secretary Zach Smith – who currently has charge of the Victorian branch – has belatedly admitted that the union has failed women in the sector. As well as the CFMEU being a major shareholder and beneficiary of millions of dollars annually from Incolink, Mr Smith sits on the Incolink board, along with fellow director Sherri Hayward, herself a Senior Legal and Industrial Officer at the CFMEU (NSW Branch).

The Sydney Morning Herald

16 March 2025

Bashed, harassed and black-banned: CFMEU sides with bikies, not women

The union has admitted it let women down in its response to violence as shocking examples of mistreatment have emerged.

⁵³ [ACTU 2023-24 Significant Third Party Return AEC](#)

⁵⁴ [Grant Award View - GA441235](#), GrantConnect, last updated 7 March 2025

⁵⁵ [‘Bashed, harassed and black-banned: CFMEU sides with bikies, not women’](#), Sydney Morning Herald, 16 March 2025

Other examples of union pork-barrelling include a grant designed to support the ACTU to fulfil its role as a Safe Work Australia member. The \$1,856,250 grant was to enable the ACTU to 'consult its affiliates and build consensus on work health and safety and workers compensation policy'.⁵⁶ The grant also supported the Union's 'tripartite policy development and decision-making processes'. These actions are all core business of the ACTU, which it managed to undertake adequately without taxpayer subsidies during years of Coalition governments.

Another grant issued by the Department of Climate Change, Energy, the Environment and Water, in August 2024, was to the tune of \$15,950. The grant, awarded in a closed, non-competitive application process, was to enable two representatives of the ACTU to attend and support the Australian Pavilion during the 2024 COP29 Conference, in Baku, Azerbaijan. It remains unclear exactly what the value to either the ACTU membership or the Australian taxpayer was from their participation in this event.

These revelations demand public attention and parliamentary scrutiny. The Government's willingness to quietly bankroll union business-as-usual operations with taxpayer funds – while simultaneously relying on unions for electoral support – represents a glaring conflict of interest that strikes at the core of political accountability in Australia. Anyone who purports to care about integrity in politics should be alarmed by these practices.

Legislating for Union Profit: The Albanese Government's Industrial Relations Agenda

The ALP's workplace relations legislation since 2022 has been deliberately designed to generate greater opportunities for unions to further monetise the workplace relations system. These legislative changes expand unions' ability to engage in profiteering and price gouging. In just a single industry – road transport – the legislation includes three new avenues for the Transport Workers' Union to generate millions of dollars in revenue:

- 1. Collective Agreements** – binding arrangements imposed by a single union on entire supply chains, including transport and gig economy sectors, without genuine consultation with businesses or workers. These arrangements are neither 'collective' nor 'agreed' by contractors in the chain or their employees, and they cannot be opposed or amended by those participants. The only option to avoid these arrangements is to walk away from work opportunities that would require compliance with them.
- 2. Minimum Standards Orders** – Issued by the Fair Work Commission, following an application from a union, to make broad industrial mandates dictating wages, conditions, and superannuation contributions.
- 3. Contractual Chain Orders** – by regulation of the Minister, empowering the Fair Work Commission to impose terms and conditions across entire contractual chains, in-line with union applications.

The implications of these measures are profound. Union-affiliated funds will see increased compulsory contributions from employers, further bolstering union wealth. Under the TWU's proposals, the terms of these 'agreements' and orders will require businesses to direct payments into union-linked superannuation schemes and training organisations, often with little oversight. The inevitable consequence is higher costs for transport, delivery services, groceries, fuel, and construction materials – costs that will ultimately be borne by consumers.

⁵⁶ [Grant Award View](#) - GA335642, GrantConnect, last updated 14 September 2023



Conclusion

The evolution of Australia's trade union movement has seen it transform from a traditional advocate for workers' rights into a multitude of powerful corporate entities with substantial financial interests that enable it to continue to exert increasing political influence, even whilst membership levels decline.

Despite collapsing membership numbers – union membership has declined from over 50% of the population in 1976 to just 13% in 2024 and as low as 7.9% in the private sector – unions have built a lucrative business model that sustains their power through a range of tax-free revenue streams.

Unions have shifted away from reliance on membership dues. Instead, they have monetised the industrial relations system to derive payments from worker entitlement funds, employer-mandated training levies, industry superannuation funds, and government subsidies.

Analysis of payments to unions reveals notable spikes in transfers to unions in election years from the various funds. This raises questions about the true nature or purpose of these payments. For example, without obvious explanation, payments to unions from training funds spiked nearly 60 per cent in 2018-19 – a year which coincided with a federal election, and elections in both NSW and Victoria.

The transformation of unions into corporate entities with diversified income streams has allowed Australia's 12 largest unions to collectively accumulate over \$1.8 billion in assets and generate more than \$828 million in revenues annually.

While union membership continues its long-term decline, the financial and political influence of unions has never been greater. The union movement, once a grassroots force advocating for industrial protections, has reinvented itself as a powerful capitalist enterprise.

Regulatory policies (or a lack thereof), promoted by Labor governments at the federal and state level, and the proliferation of favourable enterprise bargaining agreements have reinforced these revenue streams. Unions in many industries have successfully monetised the industrial relations system to generate lucrative income streams for themselves.

This report provides recommendations to protect members' interests over those of union profiteers. Governance standards for worker entitlement funds and superannuation funds must be strengthened. The MRC proposes to end current exemptions for employee redundancy funds from the managed investment and associated provisions of the *Corporations Act 2001* and to introduce a 'Best Financial Interests of Members' requirement for worker entitlement funds. Fitness and propriety standards for superannuation funds must improve through regular reassessments and mandatory disclosures of material changes such as union or party political affiliations. A majority of superannuation trustee boards should be comprised of genuinely independent directors and chairs, while APRA should be empowered to remove trustees where a material conflict of interest is identified.

The proposed measures aim to enhance transparency, curb conflicts of interest, and restore trust in these increasingly powerful financial institutions.



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