

## Terms of reference

The Royal Commissioner will inquire into and report on:

1. The governance arrangements of any separate entities established by registered employee associations or their officers, purportedly for industrial purposes or for the welfare of their members, with particular regard to:
  - a. the financial management of such entities;
  - b. the adequacy of existing laws as they relate to such entities with respect to:
    - i. the integrity of financial management; and
    - ii. the accountability of officers of registered employee associations to their members in respect of the use of funds and other assets in relation to such entities;
  - c. whether such entities are used, or have been used for any form of unlawful purpose;
  - d. the use of funds solicited in the name of any such entities, for the purpose of furthering the interests of:
    - i. a registered employee association;
    - ii. officers of a registered employee association;
    - iii. members of a registered employee association; or
    - iv. any other person, association or organisation.
2. Without limiting the matters in paragraph 1, alleged activities relating to the establishment or operation of any such entities as they relate to the various registered branches of the following employee associations:
  - a. the Australian Workers Union;
  - b. the Construction Forestry Mining and Energy Union;
  - c. the Electrical Trades Union;
  - d. the Health Services Union;
  - e. the Transport Workers Union; and
  - f. any other person, association or organisation in which in respect of which credible allegations of involvement in such activities are made.
3. The circumstances in which funds are sought from any third parties and paid to such entities.
4. Where such entities and activities related thereto exist, the extent to which persons represented by registered employee association:

- a. are protected from any adverse effects or negative consequences arising from their existence; or
  - b. are informed of their existence; or
  - c. are able to have influence or control of their operation; or
  - d. have the opportunity to hold officers of such associations accountable for any alleged wrongdoing.
5. Any conduct which may amount to a breach of any applicable law, regulation or professional standard by any officer of a registered employee association in order to:
  - a. procure an advantage for themselves or another person, association or organisation; or
  - b. cause a detriment to a person, association or organisation.
6. Any conduct in relation to such entities which may amount to a breach of any applicable law, regulation or professional standard by officers of registered industrial employee associations who hold, by virtue of their position, a position of responsibility in relation to any such entities.
7. Any bribes, secret commissions or other unlawful payments or benefits arising from contracts, arrangements or understandings between registered employee associations or their officers and any other party.
8. The participation of any persons, associations or organisations other than registered employee associations or their officers in conduct of the type described in paragraphs 1, 2, 3, 4, 5, 6 or 7.
9. The adequacy and effectiveness of existing systems of regulation and law enforcement in dealing with any conduct of the type described in paragraphs 1, 2, 3, 4, 5, 6, 7 or 8, and in particular, the means of redress available to registered employee associations and their members who have suffered a detriment as a result of such conduct.
10. Any issue or matter reasonably incidental to the above.

#### Definitions

**registered employee association** means an organisation registered under the *Fair Work (Registered Organisations) Act 2009*, its predecessor legislation or equivalent State legislation, and as defined by section 12 of the *Fair Work Act 2009*.

**law** means a law of the Commonwealth or of a State or Territory.

**officer of a registered employee association** means any employee or elected officer holder of such an organisation.

**Organisation** includes any registered industrial organisation, corporate entity or association, whether incorporated or not.

**separate entity** means a fund, organisation, account or other financial arrangement that is either a separate legal entity to a registered industrial organisation and/or is not covered by the statutory financial reporting obligations that the organisation is subject to under the *Fair Work (Registered Organisations) Act 2009*, its predecessor legislation or equivalent State legislation.