



Unions target shareholder meetings

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Industrial relations

ANNUAL general meetings are set to become a new industrial relations battleground as unions react to a legislative clampdown by embarking on a new era of shareholder activism.

A report from the University of Melbourne has found that unions are increasingly prepared to lobby shareholders and put up resolutions at AGMs in order to win some leverage over management, against the background of wage disputes.

The Government has already drafted legislation aimed at making it more difficult for unions to force companies to hold expensive extraordinary meetings to vote on special resolutions.

But the Business Council of Australia is lobbying the government to go further and make it difficult for unions to put up resolutions at AGMs, fearful that AGMs risk being hijacked by industrial disputes.

"Unions believe that (AGMs) are an obvious means to retain influence over management on industrial relations policies," said Ian Ramsay, one of the authors of the report.

Unions can be expected to seek support, particularly from industry and public sector superannuation funds that have \$240 billion in assets, of which just over half are invested in shares.

"Where Australian unions are able to align their interest with these investors, as has characterised labour shareholder activism

in the United States, it is likely that union shareholder activism in Australia will gain additional prominence and influence," says the report, written by Kirsten Anderson and Professor Ramsay.

But Garry Weaven, chairman of industry funds manager IFM dismissed the possibility of industry funds backing union industrial relations campaigns, saying that fund boards were half controlled by employer representatives. "Industry super funds won't be running IR agendas through their shareholder voting arrangements," he said.

Nevertheless, the ACTU believes the AGM is a legitimate forum for unions to pursue broader issues, including industrial relations.