



Inquiry into the Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019

Community and Public Sector Union (PSU Group)

August 2019

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

By email: eec.sen@aph.gov.au

Dear Committee Secretary

Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019

The Community and Public Sector Union (CPSU) welcomes the opportunity to make a submission to the inquiry into the *Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019* (Bill).

The CPSU represents employees in the Australian Public Service (APS), other areas of Commonwealth Government employment, ACT Public Service, NT Public Service, ABC, SBS and CSIRO. The CPSU also covers private sector workers in telecommunications, commercial broadcasting, employment services and research.

The CPSU opposes the proposed Bill. The Bill is unnecessary and seeks to impose additional restrictions and bureaucratic complexity in areas where there is already extensive and detailed regulation.

The Bill is a politicised attack on unions seeking to tie them up in more unnecessary regulation and giving more intrusive powers to the politicised Registered Organisations Commission (ROC).

The CPSU does not operate any worker benefit funds so we are not directly impacted by that part of the Bill. However, we acknowledge the importance of such funds as a protection for workers against insolvency events and phoenixing of companies and to provide security and portability of entitlements for employees in certain industries.

The CPSU supports the ACTU's submission in relation to the illegitimate justifications for the Bill and the negative impact that the Bill will have on worker benefit funds and unions involved in running them.

However, the Bill does not just regulate worker benefit funds as the title would suggest. It also makes several unrelated changes that would affect all unions.

These changes relate to financial reporting, keeping financial records and expenditure policies, and disclosable arrangements. All of these amendments are entirely unnecessary as these matters are all already regulated through union rules that are required by the *Fair Work (Registered Organisations) Act 2009* (RO Act) and though amendments inserted by 'corrupting benefits' legislation in 2017.

There has been no valid reason identified to introduce this additional layer of regulation to the extensive existing laws relating to accounting, reporting and disclosure for trade unions. These parts of the Bill will do nothing to improve the lives of working people. All they will do is add more unnecessary red tape to the already burdensome reporting requirements for unions.

Unions like the CPSU, who have the highest standards of governance and compliance with legislation, will have to devote more resources to reporting and compliance that would otherwise be devoted to improving the working lives of the members we represent.

Schedule 1 of the Bill removes the provision of the RO Act that requires union rules to include a requirement that unions develop and implement policies in relation to their expenditure. This is replaced by a civil penalty provision in the RO Act requiring unions to have expenditure policies. This shifts the enforcement focus relating to expenditure policies away from members being able to determine and enforce the rules and policies that govern the operation of their union. The Bill will instead increase power and scope of the ROC to investigate and penalise unions at the expense of the internal democratic functioning of unions.

The Bill also introduces new fines for failing to keep adequate financial records or expenditure policies. These penalties are way out of step with any equivalent regulation of corporations and politicians for whom there are no financial penalties in relation to most equivalent conduct.

The ACTU submission includes further detail on these matters. The CPSU supports those comments.

For further information, please contact Aidan Nash, Industrial Officer via email
or on .

Yours sincerely,

Nadine Flood
CPSU National Secretary

26 August 2018