



29 August 2019

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

FAIR WORK LAWS AMENDMENT (PROPER USE OF WORKER BENEFITS) BILL 2019 [PROVISIONS]

Dear Sir / Madam

The Plumbers Union Queensland and Northern Territory is a sponsor of BERT fund and a minority shareholder (16.6%) in its trustee company.

We have examined the Bill and we are concerned with both the tenor and the content of this legislation.

Shareholdings, Directors and Corporate Structure

Firstly, there appears to be an ignorance or misunderstanding of the rights and powers of the three sponsors:

1. Master Builders Association Queensland (MBA) – 50% shareholding
2. CFMEU – 33.4% shareholding
3. Plumbers Union Queensland and Northern Territory (PU) – 16.6 % shareholding

Employer groups and Unions do not see eye to eye from time to time, a natural situation given they represent parties with different goals, the *raison d'être* for their existence.

The share allocation ensures that neither the Employer Group nor the Unions (even if the Unions should act in concert) can impose their respective wills upon the other parties, a prerequisite for the formation of BERT . That, in turn, means BERT Fund cannot undertake any action or pursue any action unless the shareholders are in complete agreement.

Consensus is guaranteed because the parties are forced into compromise should they have disparate views. These arrangements have worked exceedingly well for the past 30 years and there is no need to disturb them by the introduction of an “independent director” which is an absurd concept in any event.



Governance

BERT has been subjected to a detailed examination by two Royal Commissions (Cole and Heydon) and an intensive investigation by ASIC. The investigations revealed nothing amiss in the governance or operations of BERT. Since BERT's inception it has been subject to regulation by ASIC. There is no evidence to suggest that ASIC's supervision has been inadequate. Therefore, there is no need to regulate BERT through ROC. This would compel BERT to introduce a reporting and disclosure regime much more onerous than the other entities subject to ASIC regulation - for no apparent reason. We submit that this constitutes an unjustified discrimination against BERT.

Training and Development: Apprentice Mentorship Programme

PU runs an apprentice mentorship programme. Each cohort represents a 4 year commitment by us meaning that at any one time we have at least 4 and occasionally 5 cohorts under supervision. There are currently 253 apprentices in the scheme, BERT funds the entire scheme. Its latest commitment is \$1,296,000 of which 20% is paid directly to Employers as a wage subsidy.

BERT Fund has advised the passing of the Bill will result in the termination of its support to PU.

That would perforce result in the cancellation of the programme, casting aside 253 young persons. This would clearly be an unacceptable outcome, causing great harm to those persons, their Employers and the industry itself

Recommendation

We strongly urge the Committee reject this Bill.

Yours faithfully

Gary O'Halloran

State Secretary

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