

*Education & Employment
References Committee*

**INQUIRY INTO THE PROVISIONS OF THE
FAIR WORK
(REGISTERED ORGANISATIONS)
AMENDMENT BILL 2013**



SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

SUBMISSION OF: SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

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SUMMARY OF INQUIRY

1. The Senate referred the provisions of the *Fair Work (Registered Organisations) Amendment Bill 2013* for inquiry and report by the last sitting day being 27 March 2014 by the Education and Employment References Committee.
2. The Education and Employment References Committee has expressed its interest in hearing from stakeholders regarding the provisions of the *Fair Work (Registered Organisations) Amendment Bill 2013*, with particular reference to:
 - a. The potential impact of the amendments to interfere with the ongoing operation of registered organisations in Australia; and
 - b. The potential of the amendments to impede the ability of employees of registered organisations to carry out their duties.

THE SOUTH AUSTRALIAN WINE INDUSTRY ASSOCIATION INCORPORATED

3. The South Australian Wine Industry Association Incorporated (SAWIA) is an industry employer association representing the interests of wine grape growers and wine producers throughout the state of South Australia.
4. SAWIA is a not for profit incorporated association, funded by voluntary member subscriptions, grants and fee for service activities, whose mission is to provide leadership and services which underpin the sustainability and competitiveness of our members' wine businesses.
5. SAWIA membership represents approximately 96% of the grapes crushed in South Australia and about 36% of the land under viticulture. Each major wine region within South Australia is represented on the board governing our activities.
6. SAWIA has a strong track record as an industry leader and innovator in many areas. SAWIA pro-actively represents members and the greater wine industry with government and related agencies in a wide variety of aspects of business in the wine sector.
7. SAWIA has been providing industrial relations advice to its members since 1995 and is the only wine industry organisation to provide active services in this area in Australia.
8. SAWIA is a transitionally recognised association under Schedule 1 of the *Fair Work (Recognised Organisations) Act 2009*. That recognition will end in accordance with

SAWIA'S POSITION

9. SAWIA is an interested stakeholder in the outcome of the *Fair Work (Registered Organisations) Amendment Bill 2013* and makes comment in its capacity as a transitionally recognised association.
10. SAWIA acknowledges that review and reform of the law governing registered organisations is both necessary and justified from time to time to ensure good governance and accountability. However the unlawful conduct of some officers within one registered organisation does not justify imposing excessive compliance and disproportionate monetary penalties on all registered organisations in a manner contemplated by some of the provisions in the *Fair Work (Registered Organisations) Amendment Bill 2013*.

11. SAWIA's board members, who are the equivalent of 'officers' for the purposes of the *Fair Work (Registered Organisations) Amendment Bill 2013*, volunteer their time to attend to the various duties and tasks associated with being elected to the board. Board members are elected directly by the membership from across South Australia. Our board members are owner/operators, chief executives or senior executives' employed from within the membership.
12. The SAWIA board is ably assisted with its activities by the input from three standing committees in the areas of Work, Health & Safety, Employee Relations and the Environment.
13. Board members provide a great amount of time each year of office to attend to just the basic activities entailed in holding a board position: reading, considering board papers and attending (travelling) regular board meetings held across regional South Australia. This is not to mention the additional work required like key meetings or activities with government bodies or industry stakeholders, consultation. Our board members are fundamental to conducting meaningful activities for SAWIA and their experience and stewardship in governing SAWIA is vital to ensure its activities are relevant.
14. As stated above SAWIA is a not for profit incorporated association and the role of SAWIA's board members cannot be directly compared to listed public companies who are commercial operations with well remunerated directors. Yet in many cases the proposed amendments under the *Fair Work (Registered Organisations) Amendment Bill 2013* will result in far greater penalties and requirements being imposed.
15. It is SAWIA's view that the amendments of key concern are:
 - a. Items 59, 163, 164 and 165 relating to creating criminal offences for the 'reckless' use of their position is overly detrimental in light of the proposed criminal penalties;
 - b. Item 166 relates to various disclosures (remuneration and material personal interests) that seek to impose excessive penalties and onerous disclosure obligations on officers of registered organisations.
 - c. Generally we are opposed to the excessive penalties that are proposed under the *Fair Work (Registered Organisations) Amendment Bill 2013*. They are excessive and undermine the good ethical work performed by the officials and employees of registered organisations for the benefit of their respective membership.
16. Principally the outcome of such amendments would be to deter our members from nominating to be a board member, the time required to be an active board member is already a huge consideration when nominating. In particular we would strongly oppose the amendment of Section 293J to require the details of material personal interests to be disclosed to all members of SAWIA and beyond.
17. SAWIA's concerns with the *Fair Work (Registered Organisations) Amendment Bill 2013* are not necessarily confined to those amendments raised above and we reserve our right to raise other concerns should that opportunity exist.