



The Australian Industry Group  
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Australia  
ABN 76 369 958 788

4 October 2019

Senate Education and Employment Legislation Committee  
Department of the Senate  
PO Box 6100  
Canberra ACT 6100

Dear Committee Secretary

**Re. Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019**

We refer to the Questions that we took on Notice at the public hearing on 24 September 2019 relating to the above Bill.

At the hearing, Senator Sheldon asked Stephen Smith of Ai Group whether there are any grounds in the Corporations Act to disqualify company directors who contravene industrial or work health and safety laws.

There appear to be no grounds in the Corporations Act to disqualify a company director who contravenes industrial or work health and safety laws. However, a company director can be disqualified if he or she contravenes the Corporations Act (see ss.206B(1)(b)(i), 206C and 206E). This is equivalent to enabling a registered organisation officer to be disqualified for breaching the *Fair Work (Registered Organisations) Act 2009 (RO Act)*. The RO Act is a *workplace law* (see s.12 of the *Fair Work Act 2009 (FW Act)*). Also, the RO Act emphasises the importance of registered organisations complying with the RO Act and the FW Act (see s.19(1)(e) of the RO Act).

We note that the labour hire licensing legislation in Queensland, South Australia and Victoria, as implemented by State Labor Governments, places a heavy emphasis on compliance with industrial and work health and safety laws in determining whether an officer is a “fit and proper person”. The CFMEU’s submission to the Queensland Inquiry into Labour Hire Licensing argued that a person’s record of compliance with industrial and work health and safety laws should be taken into account in determining whether a person is a “fit and proper person”.

A number of additional questions of Senator Sheldon were forwarded to Ai Group after the public hearing. It appears that these questions may have been sent to all employer groups that appeared in the inquiry as some of the questions appear to be more relevant to organisations that operate as federations, rather than Ai Group which is a registered organisation in its own right. In any event, in response to the questions asked, we advise that Ai Group does not keep a record of any breaches of the FW Act (including breaches of wage underpayment laws and sham contracting laws), work health and safety laws or security of payment laws by Ai Group Members. We would be very surprised if any employer association or union kept a record of such matters. We also do not keep



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records of whether any Ai Group Members have installed flammable cladding. In addition, we are unaware of whether Mr Gerry Hanssen has at any time worked for any Members of Ai Group.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Smith'.

**Stephen Smith**  
Head of National Workplace Relations Policy