



26 September 2016

To: Committee Secretariat  
Senate Education and Employment Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

### **Fair Work (Registered Organisations) Amendment Bill 2014**

There are 112 Registered Organisations that are registered with Fair Work Australia. From the 112 registered organisations, there are 46 employee organisations and 66 employer organisations.

When looking at the profile of registered organisations most of the employer organisations 54% fall into a value of net assets of less than 2 million dollars. Small organisations are defined as, less than \$2 million in net assets and have less than 15 employees. In the tables provided in the outline contained in the explanatory memorandum registered organisations are most likely to be small employer organisations or large employee organisations. The VFFIA is a small employer organisation and will be negatively impacted by the new amendments contained in the Fair Work (Registered Organisations) Amendment Bill 2014. The negative impact will be that many of our members will see the increased penalties, the new enforcement regime and financial requirements as a determinant to wanting to be an officer of an employer association.

The introduction of financial training has been an expensive exercise for small organisations such as the Victorian Farmers Federation Industrial Association (VFFIA). The financial training costs now have to be funded from members funds each year. Sometimes the training is held in other states which add an extra cost of paying for flights and accommodation. Increased penalties and sanctions for officers many of whom do not receive wages or any form of payment for their services are facing higher sanctions and penalties with the amendments. Perhaps there should be different provisions for small registered organisations by having varying levels of compliance.

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The VFFIA generally support the principle of the Bill lining up the powers of the Commissioner with the powers of ASIC but for the smaller organisations they would find it difficult to comply with some of the more onerous requirements due to a lack of funds or staff.

Moreover, there are a number of instances in the Bill where it is proposed to change the Act from “maximum penalty” to “penalty” we are concerned that this means that the courts will not be able to reduce the penalty where circumstances make such a decision appropriate.

President of VFFIA

Meg Parkinson

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