

Ai GROUP SUBMISSION

Inquiry into *Fair Work (Registered
Organisations) Amendment Bill*
2014 [No. 2]

**Senate Education and
Employment Legislation
Committee**

30 JUNE 2015

Ai
GROUP

About Australian Industry Group

The Australian Industry Group (Ai Group) is a peak industry association in Australia which along with its affiliates represents the interests of more than 60,000 businesses in an expanding range of sectors including: manufacturing, engineering, construction, automotive, food, transport, information technology, telecommunications, call centres, labour hire, printing, defence, mining equipment and supplies, airlines, health and other industries. The businesses which we represent employ more than one million people. Ai Group members operate small, medium and large businesses across a range of industries. Ai Group is closely affiliated with many other employer groups and directly manages a number of those organisations.

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Ai Group Submission to Inquiry into the *Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]*

The Australian Industry Group (**Ai Group**) makes this submission to the Inquiry by the Senate Education and Employment Legislation Committee into the *Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]*. The Bill would make substantial amendments to the *Fair Work (Registered Organisations) Act 2009 (RO Act)*.

As a registered organisation under the RO Act, Ai Group is well-placed to express its views on the Bill. Ai Group's predecessor organisations were first registered in the NSW industrial relations system in 1902 and in the federal system in 1926. We have maintained continuous registration ever since.

Registered organisations of employers and employees play an essential role in Australia, both in representing their members' interests and in contributing to vital community objectives such as the need to maintain a productive, flexible and fair workplace relations system. As stated in section 5 of the RO Act:

"Parliament recognises and respects the role of employer and employee organisations in facilitating the operation of the workplace relations system".

Over the past three years, Ai Group has made the following detailed submissions to Senate Committee inquiries into Bills to amend the RO Act:

- 17 January 2014 – Submission to an inquiry by the Senate Education and Employment References Committee into the *Fair Work (Registered Organisations) Amendment Bill 2013*;
- 22 November 2013 – Submission to an inquiry by the Senate Education and Employment Legislation Committee into the *Fair Work (Registered Organisations) Amendment Bill 2013*;
- 13 February 2013 – Submission to an inquiry by the Senate Education and Employment Legislation Committee into the *Fair Work (Registered Organisations) Amendment (Towards Transparency) Bill 2012*; and
- 21 June 2012 – Submission to an inquiry by the Senate Education and Employment Legislation Committee into the *Fair Work (Registered Organisations) Amendment Bill 2012*.

Our submission dated 17 January 2014 is the most relevant for the purposes of this inquiry. This submission sets out a series of proposed amendments to the *Fair Work (Registered Organisations) Amendment Bill 2013* – an earlier version of the *Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]*.

In our submission of 17 January 2014 we expressed concern about the regulatory burden and other impacts of the Bill on Ai Group and other registered organisations. We are pleased that the *Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]* includes a number of amendments to address Ai Group's concerns including:

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- Providing that material personal interest disclosures will only be required by officers whose duties relate to the organisation's financial management;
- Inserting a list of practical exclusions from the disclosure requirements, based on those in the *Corporations Act 2001*;
- Providing for a threshold for financial disclosure obligations; and
- Allowing the Registered Organisations Commissioner to grant exemptions from the statutory training requirements for officers if an individual can demonstrate significant knowledge in the relevant areas.

Our submission of 17 January 2014 includes a number of other proposed amendments to the Bill, but we are not urging the Senate to reject the Bill if these amendments are not supported by the Committee. The fact is that some of the amendments introduced by the Labor Government to the RO Act in 2012 have proved problematic and have imposed a very onerous red tape burden on registered organisations which needs to be addressed. For example, the RO Act, as amended in 2012:

- Does not include a threshold for the disclosure of related party transactions, which generally requires even very small purchases of supplies from entities linked to a registered organisation to be disclosed to the Fair Work Commission (FWC) and to all members of the organisation;¹
- Requires very onerous disclosures of material personal interests of officers and their relatives, to the FWC and to all members of the organisation;²
- Does not provide for exemptions from the statutory training requirements for officers, regardless of the qualifications and experience of an officer;³ and
- Requires that the Rules of every registered organisation be amended to reflect the new reporting and disclosure requirements, rather than these requirements simply being set out in the RO Act.⁴

The *Fair Work (Registered Organisations) Amendment Bill 2014 [No. 2]* addresses the above problems and we urge the Committee to recommend that the Bill is passed.

¹ See s.148C of the RO Act. This problem is addressed in Schedule 2, Item 166 of the Bill (ss.293G(5B), (5C) and 293J).

² See s.148B of the RO Act. This problem is addressed in Schedule 2, Item 166 of the Bill (ss.293C, 293D, 293E, 293F and 293J).

³ See ss.154C and 154D of the RO Act. This problem is addressed in Schedule 2, Item 166 of the Bill (s.293M).

⁴ See ss.148A, 148B, 148C of the RO Act. This problem is addressed in Schedule 2, Item 166 of the Bill.

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