

21 May 2013

The Research Director  
Legal Affairs and Community Safety Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Industrial Relations  
(Transparency & Accountability  
of Industrial Organisations)  
Submission 022

By email: [lacsc@parliament.qld.gov.au](mailto:lacsc@parliament.qld.gov.au)

Dear Sir / Madam

***Industrial Relations (Transparency and Accountability of Industrial Organisations) and Other Acts Amendment Bill 2013***

The Master Plumbers' Association of Queensland ("**Association**") appreciates the opportunity to provide feedback to the Legal Affairs and Community Safety Committee on the *Industrial Relations (Transparency and Accountability of Industrial Organisations) and Other Acts Amendment Bill 2013* ("**Bill**").

The Association is the peak industry body representing plumbing contractors throughout Queensland, from sole traders to medium sized plumbing businesses and large contracting firms. As well as being the collective voice for the plumbing industry, the Association also offers its members a full range of professional services, from employment and workplace relations assistance to technical advice and training. These services assist plumbers to establish and maintain successful businesses and plan for the future.

Effective plumbing services are critical in order to maintain and enhance community health and safety and protect the environment. Our members are at the forefront of this essential service industry and we provide support to ensure the ongoing viability of their businesses.

The Association welcomes legislative change to address inappropriate conduct by officials of registered organisations however is concerned that this Bill, if passed in its current form, will impose unnecessary and disproportionate administrative and cost burdens on organisations.

The Association therefore opposes passage of the Bill and seeks to highlight the impact that such passage would have on our Association and its members.

**Registers**

**Register of remuneration of highly paid officials**

In its current form, the Bill requires disclosure of employee remuneration, which in our view would undermine the ability of the Association to recruit staff and would actively create a divide between employees of the Association.

The provisions would also increase the risk of other organisations trying to poach staff based on their known salary level and would compromise recruitment of Council members, acting as a disincentive for people to participate in these roles.



**Visit** 243 Bradman St, Acacia Ridge Qld 4110  
**Send** PO Box 419, Acacia Ridge Qld 4110

**Phone** 07 3273 0800  
**Fax** 07 3273 0873

**Web** [www.mpaq.com.au](http://www.mpaq.com.au)  
**Email** [info@mpaq.com.au](mailto:info@mpaq.com.au)

The Association submits that the requirement to disclose the remuneration of highly paid officials should be removed. If this is not possible, the Association submits that:

1. The requirement should be restricted to officers only; or
2. If this is not possible, the requirement should be limited to officers and / or employees with salaries above a set level, for example, above the high income threshold that restricts unfair dismissal claims of \$123,300; or
3. If this is not possible, the requirement should be amended to reflect the reporting requirements set out in the *Fair Work (Registered Organisations) Act 2003*.

The Association also strongly submits that, if any disclosure of this nature is required, that the disclosure is required to be made to the Queensland Industrial Relations Commission (or a similar body) but is not required to be made public.

#### Register of material personal interests declarations

The Association submits that the requirement to disclose the interests of officers' relatives is unnecessary and irrelevant to the business of industrial organisations.

The Association also submits that any disclosure of this nature should be to the Queensland Industrial Relations Commission (or a similar body), or in the alternative to members of the organisation only upon request, but not required to be made public.

#### Register of gifts and benefits (received and given by officials and employees)

While the Association does not object to the maintenance of a register of gifts and benefits generally, it is an additional administrative burden and the Association submits that public disclosure is unnecessary. The Association is also concerned that the specific nature of the requirements is to be contained in regulations and is thus not yet clear.

The Association submits that any such register be available to members of the industrial organisation only, perhaps on request, rather than being disclosed to the public.

The Association also submits that the value above which gifts and benefits need to be recorded be set high enough to minimise the administrative burden on organisations such that there is no requirement to record small gifts like a Christmas hamper or chocolates or the like which may be received as a token of appreciation for service from time to time.

#### Register of political objects funding (\$10,000 or greater) and the outcome of the ballot

Assuming there remains a requirement in the Bill that expenditure greater than \$10,000 on political objects must be approved by a ballot of members, the Association does not object to the maintenance of such a register.

Please see the Association's comments regarding the provisions on expenditure for political purposes generally below.

### **Expenditure for political purposes**

#### Political Objects

The Association submits that the term "political objects" needs to be more clearly defined.

The Association receives frequent feedback from its members about the significant time and cost constraints that they already face in order to stay in business and try to keep up with a

continually changing regulatory landscape. Many of the Association's members therefore do not have the time or resources to lobby government on important industry concerns so they rely on us, as their employer association, to action these issues on their behalf.

In order to allow the Association to continue this important role on behalf of its members, the Association submits that this requirement should be limited to political donations and political advertising, with a specific exclusion for organisations trying to implement change or achieve objectives through communications with government.

### **Ballot**

The Association submits that the time and cost involved in running a ballot as proposed by the Bill is completely prohibitive for organisations and should be reconsidered.

The Association also submits that achieving anywhere near a 50% participation level from its members is unrealistic and would be prohibitive to the Association's continued involvement in members' political concerns.

The proposed ballot process would also require the Association to provide contact details of its members to the Electoral Commission, which is of great concern to the Association, as it breaches its current privacy policy in relation to members' information.

### **Procurement and contract related spending**

The Association submits that the proposal to report on procurement and contract related expenditures greater than \$5,000 would create an enormous administrative burden that would be prohibitive to the future of the Association due to the pure number of expenses that would fall into this category.

Given that information on expenditure is already disclosed in financial reports and at Annual General Meetings, the Association submits that this requirement has no useful purpose and that it should be removed (or, in the alternative, the threshold raised considerably) to reduce the adverse impact on organisations.

### **Audit requirements**

The Association submits that audit requirements proposed by the Bill will lead to increased costs of compliance for organisations and should be removed, particularly to avoid double reporting in circumstances where organisations are already subject to financial reporting and auditing obligations.

### **Financial management policies and training**

The Association has no specific objection in relation to implementing financial management policies and ensuring that financial management officers have done training other than the increased cost of compliance for organisations.

### **New penalty for dishonesty**

The Association supports penalising deliberate, inappropriate conduct by officials however submits that the proposed penalty should be reconsidered because it is extreme and is likely to be disproportionate to the offence in some cases.

## **New definition of “worker”**

The Association supports the notion that the current definition of a “worker” is insufficient and creates a great deal of confusion for its members.

The Association supports the submissions made by the Electrical Contractors Association in this regard.

## **Additional comments**

The initial briefing note to the Legal Affairs and Community Safety Committee issued by the Director-General on 9 May 2013 acknowledges that, “*There was no public consultation prior to the tabling of the Bill*”. This is disappointing given the widespread impact of this Bill on Queensland business.

It seems somewhat contradictory that the State Government trumpets their commitment to changing the culture of Government from one that promotes red tape to one that actively reduces it and then introduces onerous obligations like these for Queensland business.

While the initial briefing note provided that the proposed amendments were modelled on recent amendments to the *Fair Work (Registered Organisations) Act 2009*, the requirements under this Bill actually seem to go further than what is required by the federal Act.

## **General**

The Association is of the view that the Bill, in its current form, fails to consider the practical implications of its requirements. The obligations proposed will make it harder for member-based organisations to effectively perform their duties. The onerous reporting requirements will create an unnecessary administrative burden, particularly for not-for-profit organisations, whose resources are already stretched. The cost of the additional regulatory compliance will impact on the Association’s financial viability and its ability to maintain its current workforce numbers, which will in turn reduce the service it can provide to its members. As a not-for-profit organisation, it is already difficult for the Association to provide the necessary services to its members and these new requirements will place a heavy drain on tight resources.

The Association is proud of its record of financial governance and provides accountability and transparency to its members through existing financial reporting requirements. The Association also provides regular updates to its members on its work, for example through weekly electronic newsletters, bi-monthly magazines, letters of update upon membership renewal, annual general meetings and so on.

We would welcome any opportunity to discuss our submissions with you further.

Please contact us if you require any further information on 07 3273 0800.

Yours sincerely,



**Penny Cornah**

Executive Director

Master Plumbers’ Association of Queensland