



Australian Government

Department of Finance and Deregulation Office of Best Practice Regulation

Reference: 13861

Senator the Hon Eric Abetz
Leader of the Opposition in the Senate
Shadow Minister for Employment and Workplace Relations
Liberal Senator for Tasmania

Sent by email

Dear Senator Abetz

Fair Work (Registered Organisations) Amendment Bill 2012

Thank you for your letter of 25 June 2012 regarding the *Fair Work (Registered Organisations) Amendment Bill 2012* that is currently before the Parliament and the compliance of this Bill with the Australian Government's Best Practice Regulation Requirements.

I note that you have requested a full explanation of the Regulation Impact Statement (RIS) requirements in relation to this Bill and the position of the Office of Best Practice Regulation (OBPR) in relation to this issue.

As you are aware, the Australian Government's Best Practice Regulation Handbook specifies the requirements for complying with the Australian Government's Best Practice Regulation Requirements. Page 8 of the Handbook states that a RIS must be prepared for all decisions made by the Australian Government and its agencies that are likely to have a regulatory impact on business or the not-for-profit sector, unless that impact is of a minor or machinery nature and does not substantially alter existing arrangements.

The OBPR believes the proposed changes are regulatory in nature but ultimately, on the 25 May 2012, we advised the Department of Education, Employment and Workplace Relations (DEEWR), that the changes were not significant enough to require a RIS.

In reaching this decision, the following was considered:

- An initial request for advice was received from DEEWR on 15 May 2012. Based on the information supplied the OBPR was of the view that the impact was likely to be more than minor, and additional information was requested on the practical impacts of the proposal.
- In light of the additional information received from DEEWR on 17 May 2012 and 21 May 2012, OBPR was of the view that the impacts arising from the additional reporting obligations would be more than minor on the Registered Organisations, and

therefore a RIS was required.

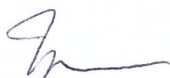
- DEEWR was advised that a RIS would be required on 22 May 2012. The primary reason was that the proposal would impose new data collection and reporting obligations on Registered Organisations and information provided by DEEWR indicated that the size of the impacts on Registered Organisations of these additional obligations would be more than minor.
- DEEWR contacted OBPR again on 25 May 2012, following the National Workplace Relations Consultative Council (NWRCC) meeting, and provided a copy of the NWRCC communiqué to OBPR. The communiqué included the following information:
 - “The Council is of the in principle view that the changes proposed by the Minister will significantly improve the financial reporting framework, governance and accountability for registered organisations without generating any significant compliance burden.”
- Given the Council is made up of a wide cross section of relevant stakeholders who will be subject to the new regulations it was unsustainable for the OBPR to maintain the position that a RIS would be required. That is a broad cross section of stakeholders subjected to the new regulations had agreed that they would not generate any significant compliance burden, the OBPR therefore advised DEEWR on 25 May 2012 that a RIS was not required for the proposal.

On 30 May 2012, OBPR was further advised by DEEWR that the proposed regulations would be further amended to allow an organisation to seek an exemption from these requirements where they could be considered too onerous.

Since this change reduced the possible regulatory burden on Registered Organisations, a change that had already been agreed was not a significant impact, the OBPR remained of the view that no RIS was required for the proposal.

I hope this information is of assistance. OBPR will be publishing this letter on its Best Practice Regulation Updates website (ris.finance.gov.au).

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation
26 June 2012