

Industrial Relations Amendment Regulation (No. 2) 2013

Explanatory notes for SL 2013 No. 169

made under the
Industrial Relations Act 1999

General Outline

Short title

Industrial Relations Amendment Regulation (No.2) 2013.

Authorising law

Section 709(1) of the *Industrial Relations Act 1999*

Policy objectives and the reasons for them

The *Industrial Relations (Transparency and Accountability of Industrial Organisations) and Other Acts Amendment Act 2013* (Amendment Act) introduced new reporting and compliance requirements on industrial organisations from 1 July 2013.

The Amendment Act's objective is to ensure greater transparency and accountability by industrial organisations to its members. A key element of this policy is the requirement for industrial organisations to ballot its members before undertaking particular political purpose expenditures.

Avoidance tactics threatened to undermine the Amendment Act's policy objective so changes to the *Industrial Relations Act 1999* (IR Act) were introduced through the *Criminal Law and Other Legislation Amendment Act 2013* (CLOLA Act).

The amendments require associated entities of an industrial organisation to conduct a ballot of the organisation's membership prior to undertaking particular political purpose expenditures.

The Amendment Act requires ballots to be conducted in accordance with the rules prescribed under a regulation.

Another element to ensuring transparency and accountability in industrial organisations is through the statement of interests reporting requirements for an organisation's officer and the officer's spouse. The regulation makes a technical amendment and clarifies who is required to make a statement of interest by amending the definition of 'relevant person'.

Achievement of policy objectives

The regulation achieves the Amendment Act's policy objective by giving effect to the anti-avoidance amendments put forward in the CLOLA Act by:

1. prescribing the balloting process when an associated entity of an organisation is required to ballot the members of an industrial organisation; and
2. by making a technical amendment to the definition of 'relevant person' in the regulation in order to provide consistency with the Amendment Act.

Alternative ways of achieving policy objectives

The regulation is the only effective means of achieving the policy objectives.

Inconsistency with policy objectives of other legislation

This regulation is not inconsistent with policy objectives of other legislation.

Benefits and costs of implementation

The benefit of the regulation is that it supports the policy intention of transparent and accountable industrial organisations and does not impose significant additional costs on the industrial organisation.

Consistency with fundamental legislative principles

The *Industrial Relations Amendment Regulation (No. 2) 2013* is consistent with fundamental legislative principles.

Consultation

As the regulation is consistent with the policy objectives of the Amendment Act further consultation was not considered necessary.