

# 2017-18 Corporate Plan

I, Natalie James, as the accountable authority of the Fair Work Ombudsman and Registered Organisations Commission Entity (the Entity), present the Entity's corporate plan prepared for the 2017-18 financial year and covering the four-year outlook period of 2017-18 to 2020-21, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

## The Entity

From 1 May 2017, the Office of the Fair Work Ombudsman (FWO) and the Registered Organisations Commission (ROC) form part of a new entity under the PGPA Act, known as the Fair Work Ombudsman and Registered Organisations Commission Entity. This follows the commencement of the *Fair Work (Registered Organisations) Amendment Act 2016* which established the ROC.

This plan is the key strategic document for the combined Entity and sets out the strategic direction of the separate offices, the FWO and the ROC, for the years 2017-18 to 2020-21.

## The Fair Work Ombudsman

The FWO is the Australian government agency responsible for ensuring compliance with workplace relations laws through advice, education and where necessary enforcement. The FWO is headed by the Fair Work Ombudsman, Natalie James, who is also the accountable authority for the Entity.

### Setting

The FWO works to achieve its purpose in a diverse and changing environment. During the period covered by this plan, it is expected that the composition of Australia's workforce will continue to evolve. The technologies driving the platform economy, in particular, are bringing new opportunities to the workplace, while also challenging traditional thinking about work. These new forms of work will challenge regulation in Australia as technology and labour markets evolve in the 'gig economy'.

There is increasing community concern about the exploitation of vulnerable workers by unscrupulous operators. Such circumstances often arise within large supply chains or networks. In cases of systemic and persistent non-compliance, the community and government expect the FWO to be a strong, visible and effective enforcer of workplace laws. Unlawful employment practices impose significant costs on individuals and the community. These behaviours create barriers to workforce participation, weaken the integrity of the workplace relations system, distort the labour market and undermine the principles of fair competition. This area remains a key priority at the FWO.

At the same time, FWO must be approachable to businesses, especially small businesses that need support and advice to ensure they are complying with workplace laws. Making it easier for small business to comply remains a key priority. Businesses also expect to be able to rely on professional workplace relations advisors and to know they're receiving accurate, up-to-date advice to meet their obligations. Greater assurance and compliance is achieved when advisers work together with their businesses and the FWO. The FWO will continue to leverage advisers and intermediaries.

The FWO will continue to enhance its services to meet the changing needs of workplace participants. Technology advancements will enable the FWO to deliver better, more accessible and faster services that best meet community needs and preferences, while being effective in achieving compliance with workplace relations laws in an operationally sustainable way.

The FWO will continue to take a graduated approach to dealing with workplace disputes with the aim of keeping productive employment relationships intact and reducing the regulatory burden on employers. In doing this, the FWO will work with parties to assist them to find the best solution for their workplace issues. The FWO will also continue to support vulnerable workplace participants and work with business and stakeholders to address barriers, and build a sustained culture of compliance.

## ▀ Priorities and activities

### Our activities

In order to make a difference and be successful in tackling the challenges that are before us, over the four-year period of this plan the FWO will:

#### 1. Provide practical workplace relations advice that's easy to access, understand and apply by:

- making compliance easy, and equipping employees and employers to make good choices in their workplaces, by providing advice through the Fair Work Infoline, Small Business Helpline, website, increasing use of our online services including 'My account', social media and in the field
- increasing our reach and impact throughout the community, but focusing on key customer segments that most need assistance to achieve compliance with workplace laws
- providing resources to help workplaces implement best practice, including online learning courses, best practice guides, templates and pay calculators.

#### 2. Encourage and empower employees and employers to resolve issues in their workplace by:

- delivering impartial dispute resolution services to help people solve problems early and quickly, in a manner that is appropriate for their workplace, and retain positive workplace relationships
- supporting people to use FWO's knowledge and transparently engaging with workplace participants and practitioners about FWO's role in disputes
- building the skills of employees and employers to positively engage with one another to address issues with minimal intervention or disruption to their workplace
- supporting business to self-monitor and self-regulate their supply chains and operations, including entering partnership agreements where appropriate
- measuring the impact of our interactions with customers and using this information to improve services
- working closely with community leaders, businesses and workers, reaching out in their own language and in culturally relevant ways.

#### 3. Build a culture of compliance with workplace laws by:

- engaging the community about compliance with workplace laws and the need for key stakeholders to share responsibility for ensuring supply chains, networks and sectors of the labour market are compliant
- informing the market of emerging trends and behaviours with respect to compliance with workplace laws, the impact of those trends and behaviours, and what FWO is doing to address them via stakeholder engagement, campaigns and inquiries, and our enforcement work
- supporting those who are being exploited to come forward and ensuring appropriate compliance action is taken (including giving customers the ability to submit information to the FWO anonymously)
- better engaging migrant workers, employers and their communities to make it clear that minimum entitlements exist and are enforceable

- taking reasonable and appropriate enforcement action, where people deliberately and/or repeatedly do the wrong thing, including the use of enforceable undertakings, letters of caution, infringement/compliance notices and litigation action as appropriate
- pursuing the full range of remedies under all available laws
- analysing intelligence from a range of sources to ensure we're targeting our efforts to identify the drivers of non-compliance and achieve the greatest impact
- understanding and developing solutions to address structural and behavioural drivers that lead to widespread non-compliance, including taking appropriate enforcement action in cases of serious non-compliance
- applying our Compliance and Enforcement Policy consistently and transparently.

#### 4. Work with stakeholders to find solutions to workplace issues and opportunities to collaborate by:

- identifying partners who can help us design and deliver programs that will build a culture of compliance with workplace laws
- building relationships with stakeholders and the community based on trust and respect
- working with culturally and linguistically diverse community networks and intermediaries
- engaging relevant stakeholders and communities in our work, considering their views and identifying opportunities to collaborate, co-design materials or activities and inform government policy
- connecting services across government to make compliance easier for the community
- influencing policy, stakeholders and other regulators to address the exploitation of vulnerable workers.

#### 5. Be a high performing, capable and responsive agency that delivers exceptional customer service and manages risk well by:

##### Focusing on people and culture

- investing in the right capability development for our people to maximise performance and build agility
- embedding an inclusive, high performing and innovative culture where we learn from experience to ensure we continue to evolve and be a high performing regulator
- supporting the health and wellbeing of our people
- ensuring our work environment, values and approach supports our people to collaborate to achieve great outcomes.

##### Using intelligence

- continually looking to build our intelligence capabilities through enhanced systems and processes
- focusing on developing integrated system solutions that enable easy access to the data that drives strategic compliance.

##### Embracing information technology and innovation

- tailoring our digital solutions to particular customer segments, including self-service resources that allow easy and timely access to information and assistance

- creating integrated system solutions to maximise efficiency and enhance our knowledge of our customers
- using customer feedback to drive continuous improvement and innovation
- piloting new ideas, learning from experience, taking measured risks and looking for innovative ways to deliver our services.

### Managing risk

- supporting all staff and leaders to engage deliberately and positively with risk to deliver maximum benefits from opportunities and challenges
- applying a consistent approach throughout the organisation and integrating effective risk management into our daily activities
- adopting a risk-based and proportionate approach to the use of our compliance and enforcement powers and tools
- maintaining governance arrangements that are fit for purpose and enable us to meet our obligations.

For the four-year period of this plan, the FWO will prioritise groups within the community that evidence tells us need the most help to understand and apply workplace laws. We will focus on systemic non-compliance that significantly impacts vulnerable individuals and/or a significant sector of the labour market. This includes supporting businesses to comply and focusing on vulnerable groups such as migrant workers and young workers. Industries or subsectors with high levels of non-compliance such as hospitality, retail, cleaning, security, trolley collecting or those emerging from intelligence will also be prioritised.

We will respond to the challenges facing us through a range of innovative activities, including:

- seeking novel court orders, including injunctions, freezing orders and orders against accessories
- examining the underlying causes of systemic non-compliance through significant inquiries
- using all levers across government and working with other agencies and regulators to enhance compliance outcomes
- working on detecting and deterring fraudulent phoenix behaviour through the Phoenix Taskforce
- encouraging established and reputable entities to take responsibility to use the levers available to them to ensure compliance in their supply chains and networks
- enabling our customers to anonymously report potential non-compliance issues - intelligence from which will inform our compliance efforts.

## Measuring our success

For each of the four financial years covered by this plan, we will measure success against the following performance indicators.

Objective	Indicator
<ul style="list-style-type: none"><li>• Manage requests for assistance in a timely manner and provide information and advice that is accessible, timely and reliable</li></ul>	<ul style="list-style-type: none"><li>• 99% availability for website services and advertised contact centre hours</li><li>• Requests for assistance involving a workplace dispute are finalised in an average of 30 days</li></ul>
<ul style="list-style-type: none"><li>• Take a risk-based and proportionate approach to our compliance and enforcement activities</li></ul>	<ul style="list-style-type: none"><li>• At least 90% of requests for assistance involving a workplace dispute are finalised through education and dispute resolution services</li><li>• No more than 10% of requests for assistance involving a workplace dispute are finalised through compliance and enforcement tools</li></ul>
<ul style="list-style-type: none"><li>• Have a positive impact on sectors/regions or issues of importance to the community</li></ul>	<ul style="list-style-type: none"><li>• Seek to gain a more comprehensive understanding of the reasons for non-compliance with workplace relations laws</li></ul>

# The Registered Organisations Commission

## Our purpose

The Registered Organisations Commission (ROC) is an independent statutory body that:

- educates, assists and regulates Australian registered organisations
- promotes effective governance and financial transparency
- investigates and takes appropriate enforcement action.

The ROC's purpose is to administer the provisions of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) which regulates and encourages high standards of accountability of organisations to their members. Our role is to regulate Australia's federally registered organisations, including assessing their financial reports, annual returns, officer disclosure statements and making arrangements for elections. The ROC is independent from the FWO in the exercise of its discrete statutory powers and functions.

## Our vision

To be valued by the community for the way we regulate and foster the efficient management and accountability of registered organisations.

## Our setting

The ROC commenced on 1 May 2017 and is headed by the Registered Organisations Commissioner. Mark Bielecki is the inaugural Commissioner and is supported by 17 staff members employed by the FWO. We operate as part of the broader industrial relations regulatory framework.

Our functions and activities were previously the responsibility of the Fair Work Commission (FWC). The *Fair Work Amendment (Registered Organisations) Act 2016* transferred these functions to the ROC with effect from 1 May 2017. On 2 May 2017 the ROC was entrusted with broader regulatory powers, including the registration of auditors and stronger powers to gather information.

During the period covered by this plan, we expect to continue to deliver on our role, particularly seeking to further develop a culture of voluntary compliance in registered organisations. We will take a forensic-based approach, conducting inquiries and investigations and using enforcement tools proportionately and appropriately.

## Our priorities and activities

We will:

### 1. Proactively educate registered organisations about financial and other reporting responsibilities by:

- engaging with, informing and educating registered organisations about their statutory obligations
- increasing awareness of our role
- assisting auditors with the registration process and their key role in enhancing compliance.

### 2. Encourage democratic control and improved financial and disclosure compliance practices by:

- supporting the democratic control of organisations through arranging elections and administering a comprehensive protected disclosure (whistleblower) scheme
- promoting compliance through assessing and publishing financial reports, annual returns and other required statements

- registering and engaging with auditors
- assessing and approving governance training.

### 3. Undertake inquiries and investigations into suspected contraventions with:

- an evidence-based approach to our decision-making
- a risk-based approach to what we will investigate and the appropriate tools
- a proportionate response to non-compliant behaviour and practices
- the aim of influencing office holders in registered organisations to act in good faith, with due care and diligence, and in the interests of their members.

## Measuring our success

Over the four-year outlook of this plan, for each financial year, we will measure our performance against the following benchmarks:

- 95% of financial reports required to be lodged under the RO Act are assessed for compliance within 40 working days
- 95% of annual returns are assessed for compliance within 40 working days
- 95% of prescribed information for elections are finalised within 40 working days
- 95% of applications for registration by auditors are finalised within 40 working days
- multiple items of information to educate employee and employer registered organisations and their members are made available.

## Capability

Our capability to deliver outcomes for registered organisations, their members and the community is evident in all aspects of our operations. We are developing relationships with our key stakeholders in order to administer the functions entrusted to us.

For the four-year outlook of this plan, we will:

### 1. Effectively communicate and engage with stakeholders

We will communicate effectively with registered organisations to facilitate and encourage voluntary compliance. To this end, we will evaluate our communication methods on an ongoing basis. In addition we will communicate our role, responsibilities and priorities to our stakeholders to enhance public confidence in the sector.

### 2. Enhance our regulatory reach

We are a developing Commission. Over the period of this plan we will work to enhance our regulatory impact by building on the work in this area that was previously conducted by the FWC, responding to suspected contraventions and refining our procedures under our new obligations and powers.

### 3. Develop our people

We provide an environment where employees are well supported, challenged and inspired to carry out their work in a collaborative manner. We are committed to attracting, retaining and rewarding the highest possible calibre of staff and to further developing our team.

## Managing risk

In the conduct of our work, we encounter a range of risks and challenges. We manage these by:

- applying a consistent approach across our work streams and integrating risk management across all our activities
- applying a governance model which focuses on leadership and accountability, enabling us to meet our obligations
- providing support and encouraging our staff to capitalise on opportunity by actively engaging with risk and challenge.