



Australian Government

Fair Work OMBUDSMAN



Annual Report 2010-11



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Commonwealth Coat of Arms and the Fair Work Ombudsman logo – cover, title page (i) and letter of transmittal (page ii)

Produced by the Fair Work Ombudsman.



Australian Government

Fair Work OMBUDSMAN



Annual Report 2010-11



Australian Government

Fair Work OMBUDSMAN

GPO Box 9887 Melbourne VIC 3001 | 414 LaTrobe Street Melbourne VIC 3000
P: (03) 9954 2611 F: (02) 6264 5367 E: nicholas.wilson@fwo.gov.au

Senator the Hon Chris Evans
Minister for Tertiary Education, Skills, Jobs and Workplace Relations
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Fair Work Ombudsman annual report for the year ending 30 June 2011.

Section 686 of the *Fair Work Act 2009* and Section 70 of the *Public Service Act 1999* require me to provide you with a report to present to Parliament. I advise that this report has been prepared in accordance with Section 70 of the *Public Service Act 1999* and the guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Wilson'.

Nicholas Wilson
FAIR WORK OMBUDSMAN
15 September 2011

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About this report

This annual report for the Fair Work Ombudsman documents activities and performance from 1 July 2010 to 30 June 2011. In preparing this report the *Requirements for Annual Reports* prepared by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit have been followed.

Structure

The report is presented in seven parts.

Fair Work Ombudsman's review

A review of the operations of the agency by the Fair Work Ombudsman.

Overview of services

An introduction to the agency and an overview of its structure and function.

Report on performance

Agency performance in relation to the outcome and output framework described in the 2010–11 Portfolio Budget Statements. Each of the strategic goals under the output group are dealt with separately.

Management and accountability

A report on the agency's management practices, including the corporate governance framework, human and financial resources, internal controls, external scrutiny, financial management and commentary on the agency's financial performance.

Financial statements

Includes the audited financial statements for 2010–11 and the audit report.

Appendices

Includes mandatory information and statistics.

References

Includes a glossary and a list of abbreviations, a compliance index and a general index.

Enquiries and comments

The Fair Work Ombudsman welcomes comment on this report. Enquiries and feedback may be directed to:

Annual Report Coordinator
Fair Work Ombudsman
GPO Box 9887
Sydney NSW 2001
Telephone: (02) 9297 9031
Facsimile: (02) 6267 4818
Email: communications@fwo.gov.au

Visit www.fairwork.gov.au for more information about the Fair Work Ombudsman or go to www.fairwork.gov.au/annualreport to download a copy of this report.

Performance snapshot

During 2010–11, the Fair Work Ombudsman achieved the following results through working with the community:

- provided information, assistance and advice to more than 825 000 callers to the Fair Work Infoline
- provided information and resources for more than 2.4 million visitors to www.fairwork.gov.au, including 159 000 industry section visits and 448 000 template downloads
- completed over 22 000 education visits and provided more than 32 000 education packs to employers
- finalised 22 523 complaints and 6779 audits, recovering more than \$26 million for 17 360 employees
- achieved fair outcomes through Assisted Voluntary Resolution to 36% of finalised complaints, representing \$7.9 million in payments to individuals
- undertook four national and 28 regional campaigns, resulting in more than \$4.7 million recovered for 7613 employees
- supported 31 large national enterprises, which together employ more than 209 000 people, to provide fairer, compliant workplaces
- achieved court ordered penalties of more than \$2.1 million in 40 matters decided in 2010–11
- informed the public of its role through 341 media releases, resulting in 1290 print articles, more than 65 hours of radio and over 20 hours of television coverage
- provided a suite of self-service online tools that generated an average 16 000 visits a week
- invested \$852 439 in 46 409 hours of internal and external training and development for staff
- utilised the skill and experience of legal staff through 15 litigations undertaken using in-house lawyers.

1



Fair Work Ombudsman's review

Fair Work Ombudsman's review

This report marks two years since the commencement of the *Fair Work Act 2009* and the formation of the Office of the Fair Work Ombudsman.

In that time, the contribution that can be made to the Australian community by the Fair Work Ombudsman has become clearer.

Our work promotes harmonious, productive and cooperative workplace relations. The overwhelming majority of us who work, go to work each day pleased that we can contribute; satisfied that we engage socially with our workmates; and that we are paid fairly for our labour.

On the one hand, my Office works daily with Australian employers to ensure this equation is a balanced one by providing them with the information they need to ensure fair payment.

On the other hand, we hear a lot about the exploitation of a relative few. When we hear these things, staff work assiduously to get to the bottom of the matter and, as best we can, ensure the exploitation is removed including, where necessary, by using formal investigation or litigation.

To illustrate the sort of exploitation seen by Fair Work Inspectors and our approach to these matters:

- a Brisbane company and its director were fined \$214 500 over sham contracting and underpayments affecting more than 100 call centre workers. The workers were classified as 'independent contractors' when they were actually 'employees'¹
- the former operators of two Victorian convenience stores were fined a total of \$150 000 for deliberately exploiting six international students and an order was made for restoration of almost \$90 000 in underpayments²
- the sole director of a former Canberra recycling company was fined \$72 000 for his involvement in underpaying 10 workers more than \$250 000 between 2004 and 2008, and unlawfully sacking three of them for complaining. The court found that director had been 'willfully blind' to his responsibilities as an employer and said the underpayment-related conduct 'must be sheeted home' to him³
- a Western Australian construction company which recruited tradesmen from China and paid them less than \$3 an hour was fined \$123 000, and ordered to backpay \$242 000 with interest of about \$65 000. The director of the company was fined a further \$24 600.⁴

Fifty five litigations were commenced by the Fair Work Ombudsman in 2010–11. Of these, 40 were finalised by the courts, with penalties awarded in 39 of them. Those matters alone recovered more than \$2 million underpaid wages and entitlements.

Last year, the employment practices of over 6700 employers were audited. Some were selected randomly and some selected after careful intelligence gathering. The results of all our audit activities are available publicly and a reading of the audit reports shows some consistent patterns.

Mostly employers, small as well as large, are compliant with their obligations.

¹ *Fair Work Ombudsman v Contracting Plus Pty Ltd & Anor* [2011] FMCA 191 (10 March 2011)

² *Fair Work Ombudsman v Bosen Pty Ltd and Others* [2011] VMC 21 (21 April 2011)

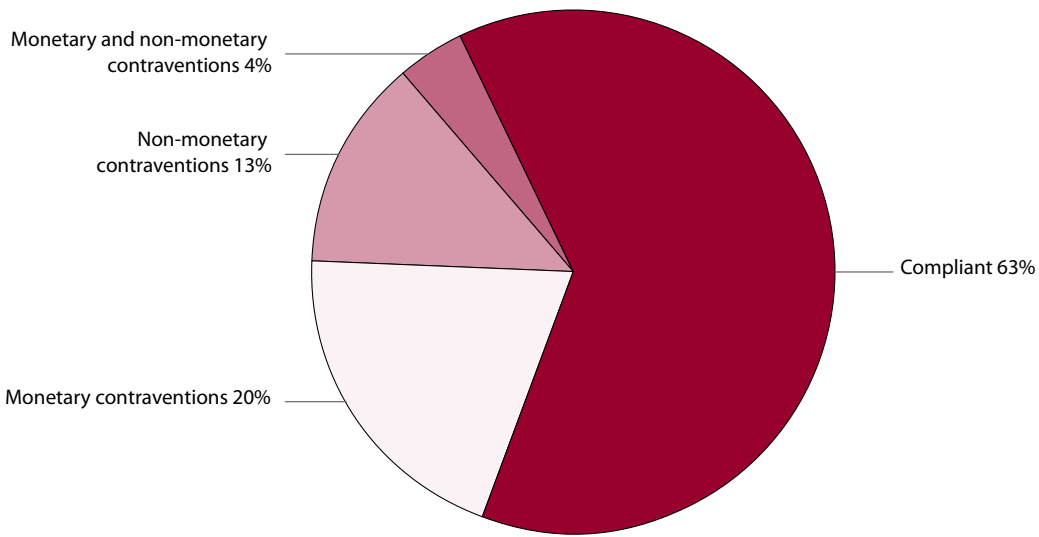
³ *Fair Work Ombudsman v Aussie Junk Pty Ltd (In Liquidation) & Anor* [2011] FMCA 391 (31 May 2011)

⁴ *Fair Work Ombudsman v Kentwood Industries Pty Ltd (No 3)* [2011] FCA 579 (31 May 2011)

Typically audits show above half, and up to two-thirds, of the businesses we see are compliant. For example, the recently completed National Cleaning Services Campaign report showed 63% of the audited businesses were compliant. About a half of the one-third that were non-compliant had problems with underpayments of wages, and others had problems with payslips and recordkeeping and the payment of penalty rates and loadings.⁵



FIGURE 1: NATIONAL CLEANING SERVICES CAMPAIGN RESULTS



A very small proportion of businesses have got to where they are because they resist the laws applying to them, and an even smaller proportion deliberately and systematically set out to exploit their workforce. But it is this segment of the community that logically deserves most attention from the Fair Work Ombudsman.

The advisory, auditing and compliance services offered to the community by the Fair Work Ombudsman are pitched to ensure that as much as possible Australians have the information they need to pay, or be paid, properly. My objective is to progressively reorient the services in order to expend the greatest effort on the areas of greatest need, which is especially the employment of young, migrant and other vulnerable workers in workplaces which are not members of industry or employer organisation and the workforce is not unionised.

The four examples on page 2 starkly show where this exploitation can occur and why a focus on vulnerable workers is necessary.

Already implemented is an initiative in which underpayment complaints are centrally managed in order to encourage early recognition by the employer of a payment problem (if it exists) and to voluntarily and cooperatively fix it before the matter requires assignment

⁵ National Cleaning Services Campaign 2010–11, report published July 2011 at www.fairwork.gov.au

to a Fair Work Inspector. We do this because we know that after initial contact most employers will check their records, realise a problem has occurred, and fix it immediately. This initiative, known as Assisted Voluntary Resolution, is now achieving resolution of half the matters received within the first month.

We are also trialling the expanded use of mediation for low-level underpayment claims, and more than 30 staff have been trained as mediators. My motivation is to find ways to more quickly and more effectively bring a standard wage complaint to an end than can be the case where the traditional investigation model is used. Most money recoveries are quite low, but even so, traditional methods can be quite time-consuming with no great dividend either for the complainant or the community.

Since July 2008:

- 43% of matters take longer than 100 days to finalise
- 57% of matters are finalised within 100 days
- 45% of money recoveries are less than \$1000
- 75% of money recoveries are less than \$3000

I have also initiated work associated with building better understanding of workplace rights and obligations for workers in the procurement chains of large companies and the public sectors presently within the Fair Work Ombudsman's jurisdiction (the Commonwealth, Victoria, the Australian Capital Territory and Northern Territory). The work of our National Employer Branch has sought to voluntarily engage over 31 large companies in an endeavour to assure us, them and their more than 209 000 employees that compliance is being achieved.

This work will be expanded to more strategically consider compliance by other firms and Government agencies, and also the workforce of contractors to those firms and agencies. This request responds to information that indicates attention to workplace relations compliance is sometimes given a low priority, or none at all, as procurement decisions are made and implemented for low paid workers such as cleaners, security officers and call centre employees.

My strategy of seeking positive engagement from large corporations and the public sector aims to use for positive effect the levers of procurement decisions.

It will be supported by the use of more formal, and less positive, investigation engagement where the facts of the particular matter allow. In this regard, I note the Federal Magistrates Court has in the past year, for the first time, directly fined a manager because he did not give advice to his employer when he should, that what the employer was about to do was unlawful.⁶ This decision has implications for investigations Fair Work Inspectors may conduct in the future that involve procurement chains that knowingly ignore minimum standards.

Finally, I wish to compliment the staff of the Fair Work Ombudsman who proudly and diligently serve the public every day, and one high achieving staff member in particular.

The ethic of service among our staff is very strong, as is their highly-held value of independently assisting both employers and employees. Without the assistance of our 952 directly employed staff, and the 234 State public servants in New South Wales, Queensland and South Australia who are contracted to undertake our work, the results reported herein could not have been achieved.

⁶ *Fair Work Ombudsman v Centennial Financial Services Pty Ltd & Ors* [2011] FMCA 459 (21 June 2011)

Ninety five per cent of staff who participated in our agency survey agreed with the proposition that 'I am committed to doing what is required to do my job well'. And it shows. I thank all staff for their contribution.

I recognise in particular, Adam Rodgers, who was awarded a Public Service Medal in the 2011 Queen's Birthday Honours for his work in creating an online tool that helps employees calculate how much they should be paid. When he was Acting Director of Performance Analysis and Research, Adam developed and oversaw the creation of a suite of PayCheck resources to assist employers and employees calculate the base rates of pay for a particular job, taking into account modern awards.

The awarding of a Public Service Medal is deserving recognition of his outstanding service and the positive effect his innovation has for business owners and workers. I congratulate Adam and his family on his recognition.



Adam Rodgers , recipient of the Public Service Medal

Nicholas Wilson

Fair Work Ombudsman



Leigh Johns (ABCC), Natalie James (DEEWR), Tim Lee (FWA) and Nicholas Wilson (FWO). More than 200 staff assisted me to raise more than \$16 000 in the Melbourne Vinnies CEO Sleepout appeal in June 2011. More than \$42 000 was raised by the heads of the Fair Work Ombudsman (FWO), the Australian Building and Construction Commissioner (ABCC), Fair Work Australia (FWA) and the Victorian office of the Department of Education, Employment and Workplace Relations (DEEWR).

2



Overview of services

About the Fair Work Ombudsman

The Fair Work Ombudsman is an independent statutory agency, created by the *Fair Work Act 2009* (the Fair Work Act) on 1 July 2009.

The agency's **vision** is fair Australian workplaces, and its **mission** is to work with Australians to educate, promote fairness and ensure justice in the workplace.

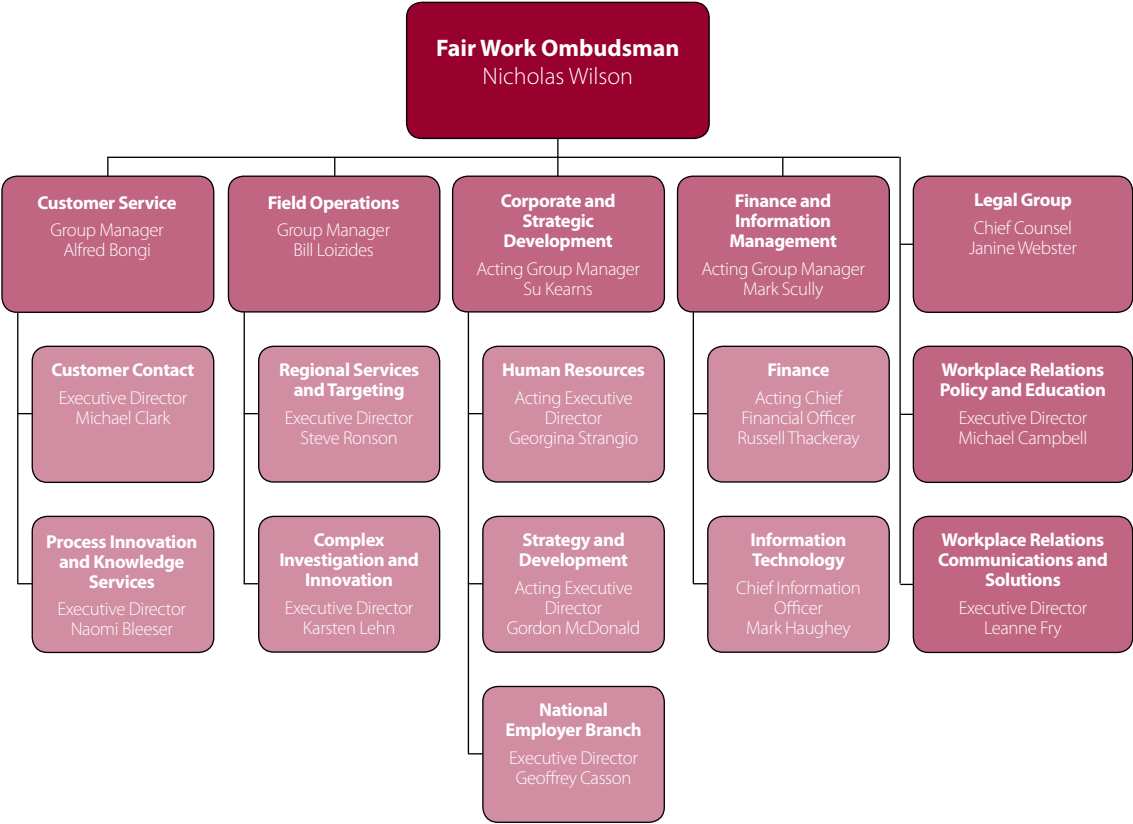
The Fair Work Ombudsman promotes harmonious, productive and cooperative workplace relations and ensures compliance with Australia's workplace laws, and does this by:

- offering people a single point of contact for them to receive accurate and timely advice and information about Australia's workplace relations system
- educating people working in Australia about their workplace rights and obligations
- investigating complaints or suspected contraventions of workplace laws, awards and agreements
- litigating to enforce workplace laws and to deter people from not complying with their workplace responsibilities.

The Fair Work Ombudsman and head of the agency is Nicholas Wilson, a statutory office-holder under the Fair Work Act.

Organisational structure

FIGURE 2: ORGANISATIONAL STRUCTURE AT 30 JUNE 2011



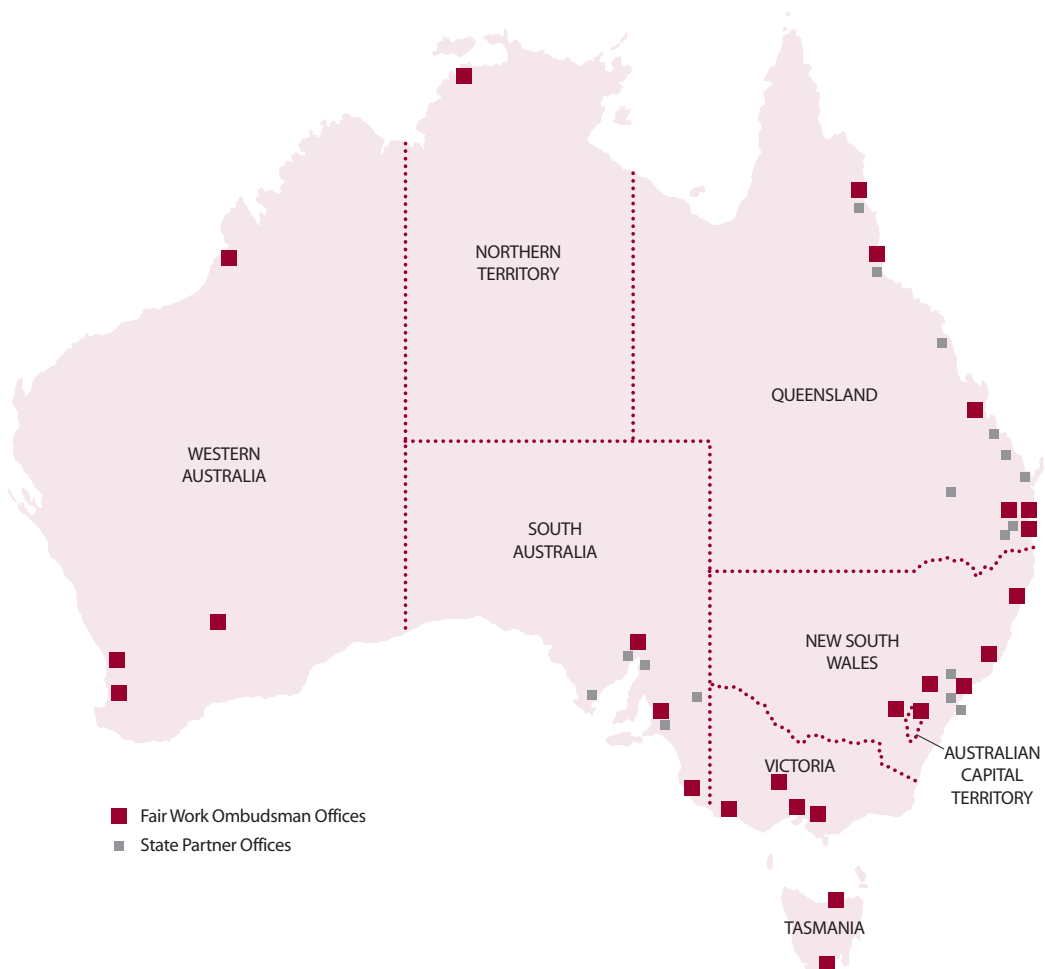
State and territory offices

Access to the Fair Work Ombudsman's services is through a national network of offices in capital cities and many regional centres.

At 30 June 2011, the Fair Work Ombudsman had a presence in 26 centres across Australia. The Fair Work Ombudsman also has a further 27 state partner offices in Queensland, South Australia and New South Wales delivering Fair Work Ombudsman services.

The offices directly operated and staffed by the Fair Work Ombudsman provide services within a 50km radius of 76% of the Australian working age population and within a 300km radius of 98% of the working age population. The addition of the state partner offices means that 82% of Australian employed persons are within 50km of either a Fair Work Ombudsman or state partner office, and 99% of Australian employed persons are within a 300km radius of either a Fair Work Ombudsman or state partner office.

FIGURE 3: OFFICE LOCATIONS



N.B. Metropolitan offices in major cities are not shown.

Fair Work Ombudsman office locations		State partner office locations
ACT	Canberra	
NSW	Sydney Coffs Harbour Newcastle Orange Wagga Wagga	Campbelltown Coffs Harbour Newcastle Penrith Wollongong
NT	Darwin	
QLD	Brisbane Cairns Gold Coast Rockhampton Toowoomba Townsville	Aitkenvale Bundaberg Cairns Gladstone Ipswich Logan Lutwyche Mackay Mt Gravatt Nambour Robina Rockhampton Roma Toowoomba Warwick
SA	Adelaide Mount Gambier Port Augusta	Adelaide Berri Keswick Mount Gambier Port Lincoln Port Pirie Whyalla
TAS	Hobart Launceston	
VIC	Melbourne Bendigo Traralgon Warrnambool	
WA	Perth Bunbury Broome Kalgoorlie	

Outcome and output structure

The Fair Work Ombudsman, as an independent agency, reports separately against the outcome structure of the Education, Employment and Workplace Relations portfolio as outlined in the program reporting framework for the 2010–11 Budget.

The Fair Work Ombudsman had one planned outcome and program for 2010–11, as set out in the 2010–11 Portfolio Budget Statements for the Education, Employment and Workplace Relations portfolio. The agency’s performance against this outcome and program is outlined in the Report on performance section.

The Fair Work Ombudsman’s outcome and program structure is shown in Table 1.

TABLE 1: FAIR WORK OMBUDSMAN OUTCOME AND OUTPUT STRUCTURE

Outcome 1
Compliance with workplace relations legislation by employees and employers through advice, education and, where necessary, enforcement.
Contribution to Outcome 1
Program 1: Education services and compliance activities
Program 1 deliverables
The deliverables of the Fair Work Ombudsman are to:
<ul style="list-style-type: none">■ provide information, advice and education on the requirements and flexibilities of workplace laws to foster voluntary compliance■ investigate claims regarding alleged breaches of workplace laws and undertake targeted activities■ litigate, where necessary, to enforce compliance with workplace laws.

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Report on performance

Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and, where necessary, enforcement.

Program 1:

Education services and compliance activities

Description

Education services and compliance activities are key functions of the Fair Work Ombudsman that build knowledge in the workplace. The agency is focused on ensuring the community understands its workplace rights and obligations.

In broad terms, the role of the Fair Work Ombudsman – an independent statutory agency created by the *Fair Work Act 2009* (the Fair Work Act) – is to promote harmonious, productive and co-operative workplace relations. It also monitors, inquires into, investigates and enforces compliance with relevant Commonwealth workplace laws.

New resources, new partnerships and new sectors

In education services and compliance activities, the year 2010–11 has been one of continuing development and growth in functions for the Fair Work Ombudsman. In its second year of operation the agency continues to expand and grow key education and compliance services. It has approached this challenge specifically by:

1. increasing and extending the range, type and delivery of resources available to workplace participants, both employees and employers
2. extending the agency's reach through collaboration with other workplace organisations to develop and deliver educational materials and messages, both through the Fair Work Ombudsman's networks and through the well established networks of the other organisations
3. using the agency's growing market understanding and knowledge to focus on service delivery to areas of greatest community need, such as vulnerable workers in specific industries, and enable the agency to develop compliance programs and services tailored to key sectors such as large national enterprises.

Education is crucial if the Fair Work Ombudsman is to effectively spread its message. Many education activities are carried out face-to-face through Fair Work Inspectors and state partners, particularly through the regional office network. Other information is provided through the resources available online. The expansion of resources this year included the relaunch of www.fairwork.gov.au into one easily navigable site, with additional content available in multiple languages and videos, checklists, case studies and fact sheets. The agency recognises that workplace participants require information in various forms at various levels of complexity, and has implemented various measures to address this need.

The agency's innovative, free employment templates have been enormously successful, and have now increased to 44 in total. In the past year templates specifically for hair and beauty, hospitality, security and retail businesses were added. These provided easily accessible, step-by-step instructions and are designed to save employers time. In 2010–11, more than 448 000 templates were downloaded with the most popular being the pay slip template which was downloaded more than 64 000 times. More than 810 000 templates have been downloaded since their initial release on 1 July 2009.

Small-to-medium sized businesses can ensure they are better equipped in relation to fundamental human resources activities such as hiring, managing and dismissing employees, by using new, free template letters. The documentation covers a range of situations in which employers commonly provide employees with written correspondence, because it is required by law or because of the benefits of having formal documentation. The letters contain step-by-step instructions, as well as clearly-labelled spaces for employers to insert details specific to relevant employees. Seven new industry specific segments on www.fairwork.gov.au provided tailored information and resources for employers about the modern awards that apply to their industry.

The Fair Work Ombudsman has also developed a series of Best Practice Guides to assist employers to make better use of the provisions of the Fair Work Act and better understand workplace laws. The guides cover topics including small business and the Fair Work Act, managing underperformance and effective dispute resolution.

A key education initiative was the development of new resources in partnership with some of Australia's leading employer organisations. These resources are designed to help businesses with the transition to modern awards. They were jointly developed under the \$2.5 million Shared Industry Assistance Project (SIAP) grant program and include interpretive guides and tables, industry-specific help lines, fact sheets and handbooks. Extensive input from major employer organisations has ensured the resources are practical, user-friendly and meet the needs of employers, particularly those running small businesses. Importantly, these new partnerships support the widest possible circulation of these resources through the communication channels of those employer organisations, as well as through the Fair Work Ombudsman.

In 2010–11, the Fair Work Ombudsman continued to create and develop relationships with other government and community agencies that support workplace education. This included not-for-profit community agencies that are able to provide tailored information and education to specific sectors of the community, as well as roundtable sessions with key stakeholders to assess aspects of the Fair Work Ombudsman's service delivery and seek ways to improve it.

The agency also sought to establish and give priority to compliance and education in areas of great need. Two groups for which specific programs were developed and delivered were students and vulnerable workers, particularly those from culturally and linguistically diverse backgrounds. A range of materials and delivery methods sought to place the right information before those people, in a number of languages and formats that were easily understood.

Sham contracting, where an employer disguises or misrepresents an employment relationship as an independent contractor arrangement, is a growing issue in the community. The agency targeted employers in the cleaning, contact centre and hair and beauty industries for a sham contracting education and compliance program. Educational resources were delivered both face-to-face and online, with audits subsequently carried out on a number of businesses.

The Fair Work Ombudsman is also using its growing knowledge of the community to tailor compliance programs and resources for key business sectors. The agency provided a free and voluntary program designed to assist large national enterprises understand, check and improve their workplace compliance. In this program National Employer Advisers work closely with participating businesses examining aspects of their workplace policies and practices. A tailored improvement program is then designed where required. In 2010–11, the Fair Work Ombudsman supported 31 national enterprises that together employ more than 209 000 people.

What the Fair Work Ombudsman does

The agency's aims, structured under five strategic goals set for 2009 to 2012, are to:

- educate workplace participants on compliance
- ensure effective compliance by workplaces
- build an effective organisational profile and sustainable relationships
- implement effective business processes
- build capability in the Fair Work Ombudsman's people and culture.

Educating and assisting Australians to understand their workplace rights and responsibilities is undertaken by:

- providing information, assistance and advice to more than 825 000 callers to the popular Fair Work Infoline and through more than 489 000 visits to the online PayCheck tool to derive hourly wage rates
- operating and continually updating www.fairwork.gov.au to allow the extensive publishing of information, resources and tools which greatly assist workers and workplaces. www.fairwork.gov.au now provides a clearer and simpler topic-based structure for users, improving its ability to support productive workplaces
- undertaking education campaigns, targeting specific industries such as retail, cleaning and security, compliance issues such as sham contracting, and vulnerable employee groups, including young and foreign workers.

While education activities are a key focus of the work of the Fair Work Ombudsman, the agency also carries out targeted compliance activities across the country to ensure workers are protected and receive their fair pay. Many employers underpay as the result of a lack of information or because they make mistakes interpreting the information they have. However, some deliberately take the opportunity to keep for themselves what is rightfully owed to their employees. The Fair Work Ombudsman has the authority to receive and investigate workplace complaints, and carry out compliance audits in workplaces across Australia. In 2010–11, the agency finalised 22 523 complaints and carried out 6779 compliance audits. These audits and investigations resulted in more than \$26 million being recovered for over 17 000 employees.

The agency's actions and progress towards achieving its strategic goals is outlined in the following sections of this annual report.

Results

This table summarises the Fair Work Ombudsman’s performance against indicators and targets set out in the 2010–11 Portfolio Budget Statements.

TABLE 2: PROGRAM 1 EDUCATION SERVICES AND COMPLIANCE ACTIVITIES

Key performance indicator	Target	2010–11 result	2009–10 result
Targeted campaigns:			
National	4	4	3
State (number of campaigns in each state/territory)	2	At least 2 in each state apart from New South Wales	At least 2 in each state apart from Queensland
Investigations into complaints about breaches of federal agreements or awards completed within 90 days (percentage of total complaints)	80%	61%	75%
Calls to the Contact Centre resolved at the first point of contact (percentage of total calls)	80%	97%	95%
Availability of Contact Centre services (percentage of availability during advertised hours)	99%	95%	99%
Availability of website (time available as a percentage of total time)	99%	99%	99%

The complaints key performance indicator declined in 2010–11 due to a series of significant transitions:

1. the introduction of phased pay rates under modern awards
2. the result of referral of industrial relations powers to the Commonwealth from the states of Queensland, New South Wales, South Australia and Tasmania
3. the implementation of a new case management system (requiring periods of user testing, stabilisation and training).

The consequence of these transitions saw a decline in the finalisation rates of complaints, particularly from October 2010 to March 2011.

Between April and June 2011, the complaints key performance indicator steadily improved as the impact of the transitions stabilised.

By June 2011, the complaints key performance indicator was returning to levels achieved in June 2010. It is anticipated the complaints key performance indicator will continue to improve significantly throughout 2011–12 as the management systems and decision-making processes settle in accord with a more established workplace relations environment. National and regional campaigns resulted in 6779 audits being conducted and finalised, with more than \$4.7 million being recovered for 7613 employees.

In regards to the Contact Centre key performance indicator, the Fair Work Infoline (13 13 94) offered 100% availability during advertised hours. The Contact Centre offered email services at 95% availability and Live Help services at 92% availability.

Live Help services were affected in January 2011 as a result of an offer by the Fair Work Ombudsman to redeploy 50 Contact Centre staff to assist with the Australian Government’s flood response. Infoline and email services were available throughout this period.

Goal 1 – Educating workplace participants

How the Fair Work Ombudsman provides education, assistance and advice

A suite of online tools, a number of communication methods and channels, and collaboration with employer and industry groups offer a diverse range of options to enable the Fair Work Ombudsman to provide education, assistance and advice to employees and employers about their rights and obligations under the national workplace relations system.

The Fair Work Ombudsman recognises that its diverse customer base requires a broad selection of materials and channels to assist workplace participants. Depending on their needs, the community requires different types of material, delivered in different formats and levels of complexity, and through a number of channels. The support provided by the Fair Work Ombudsman includes:

- free assistance and personalised advice over the phone and face-to-face through a network of staff based in 53 locations around Australia
- online calculator tools and information in a number of forms and languages – video, fact sheets, templates and best practice guides
- face-to-face education targeting small businesses, industries with higher levels of non-compliance and employee groups, such as foreign workers and younger workers who are vulnerable to exploitation
- partnering with other industry and employer organisations to provide better targeted information and tools, and using those organisation's networks to broaden knowledge about the workplace
- media coverage in major metropolitan and local news to raise awareness of both the Fair Work Ombudsman's role and the outcomes that it achieves.

The online tools – which include PayCheck, Payroll Check and PayRates Calculator – are a valuable addition to the agency's traditional assistance channels such as telephone advice from the Fair Work Infoline and Live Help sessions. In 2010–11, assistance provided through Live Help increased 55%, from 35 421 sessions in 2009–10 to 54 743 sessions in 2010–11. Email and postal requests for assistance were also up significantly, rising 61%. In 2010–11, email requests totalled 36 443, up from 22 589 in the previous year.

A major advance in helping to educate small business about changes to modern awards has been made through the \$2.5 million Shared Industry Assistance Project (SIAP). The program, run with some of Australia's leading employer and industry groups, offered grants to assist them to educate employers. The grant recipients provided and distributed educative materials on modern awards, and materials produced were made available free to all employers on the Fair Work Ombudsman's website at www.fairwork.gov.au

What the Fair Work Ombudsman achieved in 2010–11

- Answered 825 218 calls for assistance and advice to the Fair Work Infoline.
- Provided information and resources for 2 436 016 visitors to www.fairwork.gov.au
- Completed 22 013 education visits and provided 32 053 education packs to employers.
- Provided tailored industry information for employers through more than 159 000 visits to www.fairwork.gov.au industry pages and through 380 education products developed in partnership with industry groups.
- Educated vulnerable groups about their workplace rights, including international students and young workers.

Providing free assistance and advice

The Fair Work Ombudsman's website (www.fairwork.gov.au) offers a first stop resource for use by employers and employees requiring information on the national workplace relations system. The Fair Work Infoline (13 13 94) and Live Help (an online chat service) deliver customised and more complex assistance through a team of Fair Work Advisers.

Fair Work Inspectors provide advice and assistance directly through 26 metropolitan and regional offices, as well as 27 state partner offices in New South Wales, Queensland and South Australia.

Fair Work Infoline

calls answered decreased 26%.
Live Help sessions increased 55% and written and email responses rose 61%

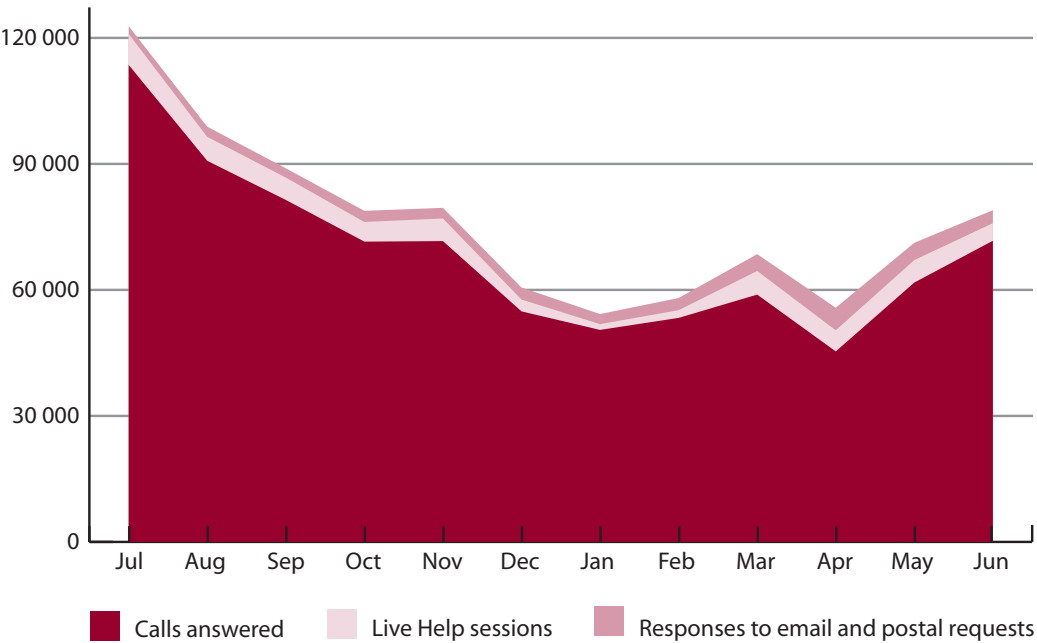


TABLE 3: ASSISTANCE AND ADVICE OFFERED THROUGH THE FAIR WORK INFOLINE, 2010–11 AND 2009–10

	2010–11	2009–10
Calls for advice and assistance answered	825 218	1 108 648
Assistance offered through Live Help sessions	54 743	35 421
Responses to email and postal requests for assistance	36 443	22 589
Callers who identified themselves as employers	37%	34%
Callers who identified themselves as employees	62%	59%

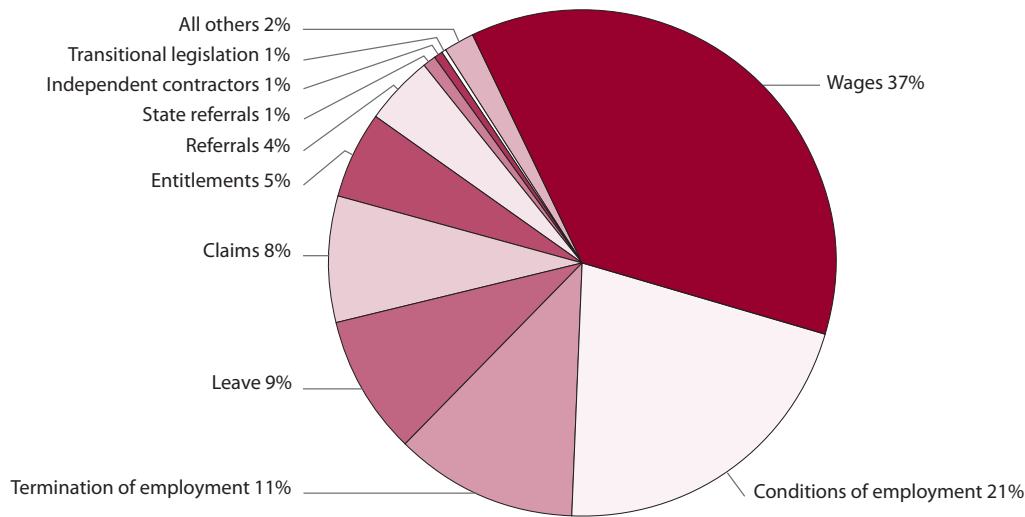
In 2010–11, calls for advice and assistance answered through the Fair Work Infoline decreased 26%, compared to an increase of 55% in Live Help chat sessions and a 61% increase in responses provided to email and written enquiries through the post.

FIGURE 4: ASSISTANCE AND ADVICE OFFERED BY MONTH 2010–11



Call volumes averaged 68 768 per month, with a peak of 113 573 in July 2010, coinciding with the start of modern award transitional arrangements and the minimum wage increase on 1 July 2010.

FIGURE 5: NATURE OF CALLS TO THE FAIR WORK INFOLINE 2010–11



The majority of calls to the Fair Work Infoline in 2010–11 related to wages (37%) and conditions (21%). Other calls concerned termination of employment (11%) and leave (9%).

In 2010–11 the accommodation and hospitality industry generated the most calls (5%), followed by the retail industry (4%) and the hairdressing and beauty industry (4%).

Fair Work Ombudsman's website

The Fair Work Ombudsman's website (www.fairwork.gov.au) served as the gateway to information needed by employers and employees regarding their workplace rights and responsibilities. Through the website, the Fair Work Ombudsman is able to provide a range of self-service tools, information and assistance anywhere, anytime.

Visitors to www.fairwork.gov.au seek answers in the shortest possible time. A clear, simple navigation structure and an effective search tool are essential to enable them to find information as soon as possible.

To this end, www.fairwork.gov.au was relaunched on 17 September 2010 to provide a clearer and simpler topic-based structure for users. User feedback has identified that the easier navigation has improved the ability of www.fairwork.gov.au to support productive workplaces.

In 2010–11, www.fairwork.gov.au provided enhanced and easily accessible tools and resources in seven areas:

- seven new sections to help employers in the retail, cleaning, clerical, hair and beauty, security, hospitality and fast food industries understand their modern award
- video guides to help navigate the website and use its self-service tools
- translated information about working in Australia for migrants, international students and foreign nationals in 28 languages

Over 2.4 million visitors to www.fairwork.gov.au found information and resources on workplace rights and obligations

- new fact sheets covering the national minimum wage, Pacific seasonal workers and employment entitlements during natural disasters and emergencies
- a new Best Practice Guide for employers on parental leave
- 18 new templates to assist small business in managing employment
- detailed information for employers on 25 modern awards, developed in conjunction with industry partners and provided through the Shared Industry Assistance Project (SIAP).

In 2010–11, 3 554 634 visits were made to www.fairwork.gov.au, consisting of 2 436 016 unique visitors. These visits included over 26 million page viewings. An additional 190 836 visits were made to www.fwo.gov.au between 1 July and 16 September 2010, prior to it being incorporated into the new website.

Visitors to the site are now encouraged to share workplace information more widely on the internet with friends and family, through links on every page that allow users to repost Fair Work information to other websites and social media channels.

A review of the performance of www.fairwork.gov.au following its relaunch showed that visitors were engaging with more content and spending more time on the new site. On average, visitors accessed 5.7 pages per visit to the new website (up 14% from 4.985 pages on the old websites) and spent an average time of 5:52 on the new website (up 38% from 4:16 on the old websites).

Educating and supporting small businesses

20 912
education
visits helped
small businesses
understand the
Fair Work system

Educational visits to help small businesses

The Fair Work Ombudsman worked in partnership with the New South Wales, Queensland and South Australian governments to undertake education visits to small business employers who entered the national workplace relations system on 1 January 2010. As well as the personalised information and assistance provided during the visit, the small businesses benefited from Employer Education Packs containing resources specifically designed to assist them.

The relationships established between the Fair Work Ombudsman and the governments of the referring states demonstrated integration across state and federal levels. This gave the Fair Work Ombudsman a greater regional presence with 27 state partner offices and shop-fronts. Such a presence enabled more small businesses to have direct access to Fair Work Inspectors.

Between 1 July 2010 and 30 June 2011, the state partners completed 22 013 education visits to employers. Of these visits, 95% (20 912) were to small businesses with less than 15 employees. In addition, the Fair Work Ombudsman completed 654 education visits in Tasmania over the same period. 32 787 employer education visits have been made since 1 January 2010, representing over 65% of the commitment to undertake 50 000 visits by the end of 2012.

A total of 32 053 Employer Education Packs were distributed during 2010–11. State partners also finalised the investigation of 4414 complaints and finalised 1824 audits on behalf of the Fair Work Ombudsman in the period 1 July 2010 to 30 June 2011.

Online resources to help small to medium-size businesses

In 2010–11, the Fair Work Ombudsman provided a range of free online templates, fact sheets and Best Practice Guides for small to medium-size businesses to improve their understanding and compliance with workplace laws. Analysis of users by the agency reveals that the resources are being used by a diverse range of workplace participants, including people with no previous industrial relations experience, such as entrants to the workforce, and highly-experienced industrial relations, payroll and human resources staff.

The following is a summary of the tools and the ways in which the Fair Work Ombudsman assists its customers by helping them build a base level of knowledge.

PayCheck

- PayCheck calculated base rates of pay for a single classification, and was a highly-effective tool for users with little or no previous industrial relations experience.
- This tool was commonly used by new entrants to the workforce and quickly provided minimum rates of pay based on the business information provided by the customer.

Payroll Check

- This tool calculated base rates of pay for multiple classifications and was commonly used by more experienced payroll staff or employers.

PayRates Calculator

- The PayRates Calculator provides base rates of pay, allowances and penalty calculations. A variety of users, including both employers and employees, utilise it to calculate penalty rates.

Pay and Conditions Guides

- The Pay and Conditions Guides are currently the most popular tool for both employers and employees because they provide pre-calculated rates of pay in one easily-accessible document. The guides provide users with tables of extrapolated base rates of pay for adults, juniors, apprentices and trainees, as well as a guide on conditions.

A new tool, PayCheck Plus, was introduced in September 2011 and, in addition to calculating base rates of pay, includes the ability to calculate penalty rates, allowances and shift rates.

In 2010–11, the range of templates provided by the agency expanded to 44, including templates specifically for hair and beauty, hospitality, security and retail businesses. These templates provided step-by-step instructions and are designed to save employers time.

Practical resources available online:

over 448 000 templates, 633 000 fact sheets and 65 000 Best Practice Guides downloaded

In 2010–11, over 448 000 templates were downloaded. The most popular template was the pay slip template, downloaded over 64 000 times throughout the year.

At 30 June 2011, a range of 32 fact sheets were available from www.fairwork.gov.au, covering topics such as leave entitlements under the National Employment Standards, unlawful workplace discrimination and minimum wages.

In February 2011, a fact sheet covering employment entitlements during natural disasters or emergencies was published, helping businesses in communities affected by

events like the January 2011 floods in Queensland, Victoria and New South Wales. In 2010–11, over 633 000 fact sheets were downloaded, with the most popular being the employer records and pay slips fact sheet, downloaded over 72 000 times.

The Fair Work Ombudsman's 12 Best Practice Guides assisted small businesses to implement best practice initiatives in areas such as gender pay equity, balancing work and family commitments and employing young workers. In 2010–11, more than 65 000 Best Practice Guides were downloaded.

In February 2011, a parental leave guide was published to assist small businesses with the start of the Australian Government Paid Parental Leave Scheme.

The Best Practice Guides highlight key aspects of the federal workplace relations system, information on best practice concepts, strategies on how these concepts can be implemented, the benefits for the business in doing so and where to find more information.

Tailoring information and assistance to meet industry needs

In 2010–11, the Fair Work Ombudsman provided services to support almost one million Australian businesses who have employees¹ and a labour force of more than 11 million people² working under 122 modern awards. To do this, it focused on employees and industries with higher levels of complaints and non-compliance, providing targeted information and education activities tailored to their needs.

Industry specific support: seven online industry segments, over 380 education products, 54 seminars and 15 Fair Work Liaison Officers

Industry specific information

In 2010–11, the Fair Work Ombudsman published seven new industry specific information segments on www.fairwork.gov.au

Analysis of complaints, results of audit campaigns and trends in calls to the Fair Work Infoline provided evidence of industries with higher levels of non-compliance with Australia's workplace laws. The Fair Work Ombudsman used this knowledge to develop specialised information to help employers in specific industries.

¹ Australian Bureau of Statistics – Counts of Australian Businesses, including Entries and Exits 8165.0 June 2007 to June 2009

² Australian Bureau of Statistics – Labour Force, Australia 6202.0 September 2010

The industry specific segments contained tailored workplace relations information and resources for employers about the modern awards that apply to their industry. These resources were promoted to employers through national targeted education campaigns (see page 33).

The industry specific segments published in 2010–11 include:

- retail industry – July 2010
- cleaning, clerical, hair and beauty and security industries – September 2010
- hospitality and fast food industries – March 2011.

These industry specific segments of www.fairwork.gov.au generated more than 159 000 page views in 2010–11, with the retail industry segment accounting for around 35% of the page views.

Shared Industry Assistance Projects

The Shared Industry Assistance Projects (SIAP) grants program provided grants worth \$2.5 million to employer and industry groups to educate employers, particularly those running small businesses, about changes to modern awards.

A total of 25 grants to 15 organisations resulted in:

- the development of more than 380 individual education products to help employers with their transition to modern awards
- 54 face-to-face education seminars for employers held across Australia in metropolitan and regional centres
- 15 Fair Work Liaison Officers available through industry associations to answer questions from member and non-member employers and to provide seminars to demonstrate the education products.



TABLE 4: EMPLOYER AND INDUSTRY GROUPS PROVIDED GRANTS THROUGH THE SIAP PROGRAM

Aged and Community Services Australia
Australian Hotels Association
Australian Industry Group
Australian Medical Association
Australian Road Transport Industry Organisation
Australian Security Industry Association Limited
Building Services Contractors Association of Australia
Clubs Australia
Hair and Beauty Australia
Housing Industry Association
Master Builders Australia
Pharmacy Guild of Australia
National Electrical and Communications Association
National Farmers' Federation
National Retail Association

The developed resources were published on the websites of the respective employer organisations, and could be accessed directly from links on the SIAP section of www.fairwork.gov.au. In addition to being available on the web, the resources may also have been distributed via email, direct mail, online, or as seminars, webinars and podcasts. Seminars conducted as part of the SIAP grant program were jointly facilitated by representatives of the employer organisation and the Fair Work Ombudsman.

Each employer organisation involved in the SIAP program has assigned a person to the role of Fair Work Liaison Officer who is available to members and non-members of the organisation to answer questions on the SIAP resources.

The SIAP program demonstrates the positive relationship of the Fair Work Ombudsman and industry partners working in collaboration to make compliance with Australia's workplace laws easier for employers.

Further details of the Shared Industry Assistance Projects grants are available in Appendix F on page 154.



Tailored and targeted industry assistance

In 2010–11, new educational resources were developed to help small to medium businesses in a range of industries with the transition to 25 different modern awards through the Shared Industry Assistance Project (SIAP) program. These resources were developed based on the industry knowledge and experience of 15 leading employer organisations to deliver practical resources that are user-friendly and tailored to the needs of small to medium businesses.

The SIAP program established new partnerships with employer organisations that resulted in innovative tools and resources that utilised industry networks to reach a wider group of employers.

More than 380 education resources and tools were developed through the SIAP program in 2010–11. These demonstrated the value of tailored assistance to specific industries, and included:

- 10 000 handbooks distributed to employers and prime contractors in the road transport and logistics industry by the Australian Road Transport Industry Organisation. The handbooks were designed to fit in the glove box of a vehicle, recognising that for many of these small businesses, their vehicle is their office
- webinars for small businesses covered by the *Cleaning Services Award 2010* were delivered by the Building Services Contractors Association of Australia. The webinars addressed the needs of employers who work from home and are not office-based, allowing them to participate at a time and place that suits them
- a series of 22 free online educational videos were produced by the National Electrical and Communications Association of Australia, providing a plain-English guide of their modern award and the National Employment Standards on www.neca.org.au and YouTube for electricians and communications contractors and their staff.

The Fair Work Ombudsman utilised opportunities to reach a larger number of employers through partnering with key industry bodies. These partnerships also established relationships that continue to assist the Fair Work Ombudsman in its mission to educate employers on their rights and obligations under the Fair Work Act.

Educating vulnerable employees of their rights

The Fair Work Ombudsman is particularly concerned with supporting vulnerable employees. Vulnerable employees have limited understanding of their workplace rights and/or limited access to employment opportunities. These groups can include young people, workers from culturally and linguistically diverse communities and people who experience higher levels of discrimination.

Throughout 2010–11, the Fair Work Ombudsman undertook educational activities to raise awareness among vulnerable groups of their workplace rights, including:

- **international students working in Australia**

The Fair Work Ombudsman provided information for international students about their workplace rights in English and in six other languages. In October 2010, 11 000 translated postcards promoting the translated materials were distributed through 22 university campus cafes. A supporting email campaign to 850 university student associations, private colleges and English schools referred international student support services to resources available at www.fairwork.gov.au

- **young workers**

The Fair Work Ombudsman increased awareness among young workers of their workplace rights through a national distribution of 40 000 postcards in September 2010. Additional Orientation Week events in February 2011 involved Fair Work Advisers and Inspectors attending 19 universities in capital cities and regional areas to answer questions and provide advice

- **workers experiencing discrimination**

The Fair Work Ombudsman provided educational activities for employers and employees about unlawful workplace discrimination, with activities focussing on:

- o age discrimination (August and September 2010)
- o pregnancy discrimination (July to October 2010)
- o sexual orientation and preference (to coincide with the Sydney Mardi Gras in February 2011).



Educating the community about workplace discrimination

Every worker has a right to a supportive workplace free of discrimination. Workplace discrimination may go unreported because of a lack of awareness of workplace rights. In 2010–11, educational activities targeting at-risk groups, along with significant media coverage of litigation cases, helped make employees aware of workplace discrimination and how the Fair Work Ombudsman can help if they experience it.

In February 2011, the Fair Work Ombudsman undertook a national campaign aimed at

helping workers avoid discrimination on the basis of their sexual orientation or gender identity. The campaign also raised awareness among same-sex couples about eligibility for workplace entitlements such as parental, adoption, carer's and compassionate leave.

Fair Work Ombudsman staff attended Fair Day, which kicks off Sydney's Mardi Gras Festival and attracts 80 000 attendees, on Sunday 20 February 2011. Staff answered questions from event-goers about workplace issues and distributed around 50 000 educational brochures on unlawful workplace discrimination.

To promote its participation in Fair Day, the Fair Work Ombudsman created a Facebook fan page to create a two-way discussion about relevant workplace protections. The page attracted 1076 fans and helped disseminate information through the networks to reach more of the gay, lesbian, bisexual, transgender and intersex community.

A further 40 000 educational postcards were distributed in Sydney, Melbourne, Canberra, Hobart, Adelaide, Darwin and Perth in February through retail outlets, cafes, bars, galleries, museums, universities and other venues.

Goal 2 – Ensuring effective compliance

How the Fair Work Ombudsman ensures effective compliance

The Fair Work Ombudsman improves compliance with Australia's workplace laws through an integrated approach that combines positive motivators, such as advice and education, with deterrents such as investigation and litigation activities.

The Fair Work Ombudsman's compliance activities are both proactive – working with specific industry sectors to educate and improve the level of compliance, and reactive – responding directly to complaints from employees that are made through the Fair Work Infoline or written documentation.

Compliance activities include:

- **resolution** – working with employers and employees to facilitate the resolution of complaints, which includes ensuring all parties are aware of their rights and obligations
- **audit** – carrying out national and regional campaigns in industries or areas where there has been a history of non-compliance. These campaigns provide information and education followed by a period of auditing, during which time employers are encouraged to improve their business practices and rectify any issues
- **investigation** – investigating alleged contraventions and applying the appropriate resolution for employees who contact the Fair Work Ombudsman
- **enforcement** – legal action in the public interest in response to serious, wilful or repeated non-compliance and to deter further contraventions of Australia's workplace laws.

Targeting vulnerable workers

Protecting the rights of vulnerable workers forms a key element of the Fair Work Ombudsman's compliance activities. The agency has been active in enforcement of the workplace rights of foreign workers, with the vast majority of the matters related to wages and entitlements. Most have involved underpayment or non-payment of wages and overtime, unlawful deductions from wages and non-compliance with record keeping obligations.

Fair Work Inspectors are conscious of the challenges that are inherent to investigations involving foreign workers. These include language and cultural barriers, limited knowledge of Australian workplace laws and uncertainty about how to access government or union services. The Fair Work Ombudsman has developed a range of services to specifically address these issues including access to translators at no cost to the workers and publication of a range of information on the website in 28 languages.

Sham contracting is also a major issue across a number of industries, and the Fair Work Ombudsman stepped up its activities in a new education and compliance program. The unlawful practice of sham contracting occurs when an employer disguises or misrepresents an employment relationship as an independent contracting arrangement. Employers in the cleaning, contact centre and hair and beauty industries were the focus of the compliance program and educational resources were distributed to employers by Fair Work Inspectors attending employment expos in Perth, Melbourne, Sydney, Brisbane and Adelaide. These activities are supported by new plain language case studies on the website that encourage workers to try to identify if they are at risk.

Litigation is one of the compliance tools available to the Fair Work Ombudsman and is generally used when voluntary compliance cannot be achieved, or where a breach of the legislation is significant. Taking an employer to court is often a last resort, but the outcomes it achieves through litigation can act as a strong message that promotes voluntary compliance with Australia's workplace laws.

Together in 2010–11, these elements encouraged voluntary compliance with Australia's workplace laws, and demonstrate the options available to the Fair Work Ombudsman to address serious, wilful or repeated breaches of the law.

What the Fair Work Ombudsman achieved in 2010–11

- Finalised 22 523 complaint investigations and 6779 audits, recovering more than \$26 million for 17 360 employees.
- Achieved fair outcomes to 8215 finalised complaints, totalling more than \$7.9 million through Assisted Voluntary Resolution.
- Undertook four national and 28 regional campaigns, resulting in more than \$4.7 million recovered for 7613 employees.
- Received and assessed 1171 complaints relating to workplace discrimination.
- Supported 31 large national enterprises, which together employ more than 209 000 people, to provide fairer, compliant workplaces.
- Achieved voluntary compliance through 11 Enforceable Undertakings.
- Addressed serious, wilful and repeated non-compliance through 55 civil penalty litigations.
- Achieved court ordered penalties of \$2 165 965 in 40 matters decided.



Taking action to protect the rights of foreign workers

All people working in Australia have basic entitlements. These include the right to minimum pay and conditions for any job they are employed to do - regardless of the length of their stay.

Foreign nationals working in Australia on visas are vulnerable because they may not know their rights and feel dependent on the employer that brought them to work in Australia.

In April 2011, the former operators of two 7-Eleven stores in Melbourne and Geelong were fined a total of \$150 000 for deliberately

exploiting six international students.

The Melbourne Magistrates' Court imposed the penalty following an investigation and prosecution by the Fair Work Ombudsman. Mr Hao Chen and Ms Xue Jing were fined \$20 000 and \$10 000 respectively, and their private company, Bosen Pty Ltd, a further \$120 000. The company was also ordered to back-pay the six students from Zimbabwe and India almost \$90 000.

Fair Work Inspectors discovered the underpayments when they investigated complaints from the employees. One of the students was found to have been underpaid \$40 583.

Magistrate Kate Hawkins found that 'the conduct was a systematic and significant exploitation of highly vulnerable workers.' Magistrate Hawkins found that false information about hours the six students worked and the rates they were paid was transmitted to the 7-Eleven head office and that written store records showing actual hours worked and rates paid were 'deliberately thrown out'.

'This was a deliberate and calculated campaign to pay the employees less than what they were legally entitled to and to obtain free labour and therefore a competitive advantage in the marketplace,' Magistrate Hawkins added.

The penalty and back-payment of wages order sends a very clear message that the community will not tolerate deliberate exploitation of vulnerable workers.

Increasing voluntary compliance

Results of campaigns undertaken in 2010–11 demonstrate that educational activities are a very effective way of promoting and achieving voluntary compliance by employers. Education and compliance campaigns were effective in recovering employee entitlements, particularly when the campaign targeted high risk areas and industries that employed vulnerable workers.

By targeting education campaigns at industries which show higher levels of compliance issues, the Fair Work Ombudsman proactively improved understanding among employers of their workplace responsibilities. This was complemented by education to help industry employees better understand their rights at work.

The Fair Work Ombudsman engages with relevant industry associations and unions to incorporate their industry-specific knowledge in national educational and compliance campaigns, and to coordinate communication activities. This approach, continued by the Fair Work Ombudsman in 2010–11, enables the sharing of information through industry association and union communication channels.

In 2010–11, national and regional campaigns resulted in 6779 audits being finalised and more than \$4.7 million recovered for 7613 employees. The number of audits finalised in 2010–11 was more than 84% higher than in 2009–10, and monies recovered for employees grew by 11% over the same period.

National and regional education and compliance campaigns result in over \$4.7m recovered for 7613 employees

TABLE 5: EMPLOYER CAMPAIGN AUDITS FINALISED FOR 2010–11

State or territory	2010–11	2009–10
New South Wales/Australian Capital Territory	1892	807
Northern Territory	104	79
Queensland	1934	553
South Australia	1123	372
Tasmania	211	173
Victoria	906	1057
Western Australia	609	637
Total	6779	3678

TABLE 6: MONEY RECOVERED FOR EMPLOYEES THROUGH CAMPAIGNS IN 2010–11

State or territory	2010–11	2009–10
New South Wales/Australian Capital Territory	\$751 885	\$1 271 055
Northern Territory	\$96 522	\$56 444
Queensland	\$796 103	\$471 514
South Australia	\$195 850	\$372 594
Tasmania	\$192 046	\$151 326
Victoria	\$2 303 699	\$1 170 860
Western Australia	\$402 427	\$774 035
Total	\$4 738 532	\$4 267 828

National campaigns

Four national education and compliance campaigns, applying an integrated approach of advice, education, investigation and litigation, were completed in 2010–11:

Horticulture Industry Shared Compliance Program:

The Fair Work Ombudsman began a joint horticulture industry education campaign in March and April 2010. The campaign was run in conjunction with the Australian Industry Group, the Australian Workers' Union, the Horticulture Australia Council and the National Farmers' Federation.

The audits of this industry began in May 2010 and were completed in September 2010.

A total of 277 employer audits were completed, and at 30 June 2011 \$227 308 had been recovered for 585 employees.

Audits showed 168 (61%) employers were found to be compliant with Australian workplace laws. Of the remaining 109 employers, 101 (36%) were found to have contraventions and a further eight (3%) required ongoing investigation into alleged contraventions. More than one-third of the identified contraventions related to underpayment of wages and other allowances.

The Shared Industry Assistance Projects grants program (see page 25) provided continued education and support of the horticulture industry as a whole.

Insulation Installers Audit Program:

This program, targeting insulation installer employers, ran from May to September 2010. The program audited employers' time and wage records and inspected contract arrangements to check for alleged contraventions of the 'sham contracting' provisions in the Fair Work Act.

Following audits of 211 employers, 153 (73%) employers were found to be compliant with their obligations under Australian workplace laws. Of the 58 (27%) employers that

were identified with contraventions, the majority related to technical record keeping and pay slip content contraventions.

The audit program recovered more than \$48 000 for 79 employees.

National Cleaning Services Campaign:

The education phase of this campaign began in September 2010, with contract cleaning employers and employees directed to the dedicated cleaning industry information available at www.fairwork.gov.au/cleaning. In November 2010, Fair Work Inspectors assessed the time and wage records and examined the contract for service arrangements of 315 contract cleaning employers.

Audits found almost two thirds (63%) of employers to be compliant with workplace laws. Of the 117 (37%) employers found to be non-compliant, 53% had monetary contraventions while 36% had non-monetary contraventions. The remaining non-compliant employers (11%) had both monetary and non-monetary contraventions.

More than 60 companies were referred to the National Sham Contracting Operational Intervention for further investigation of contractual employment relationships.

As of 30 June 2011, the campaign had recovered \$242 451 for 621 employees.

National Sham Contracting Operational Intervention:

Employers in the cleaning, contact centre and hair and beauty industries were the focus of this campaign to help employers understand the different circumstances when workers can be classified as independent contractors or employees. The campaign also included development of education and information resources to help employers and employees understand the circumstances when independent contractors could be considered employees.

Elements of the Sham Contracting Operational Intervention included:

- creation of online and printed educational resources demonstrating the differences between independent contractors and employees in plain language
- delivery of a national training program for all Fair Work Inspectors including the legal and operational considerations when conducting sham contracting investigations
- six education focused events attended by Fair Work Inspectors in Perth, Melbourne, Sydney, Brisbane and Adelaide, and
- 112 audits of employers in the cleaning, contact centre and hair and beauty industries.

Full national campaign reports are available from www.fairwork.gov.au

Industry compliance levels at a glance:
Horticulture 61%
Insulation installers 73%
Cleaning 63%

Regional campaigns

Regional campaigns responded to specific state or regional issues, and created opportunities for the Fair Work Ombudsman to reach regional and remote areas.

**Regional
campaigns**
resulted in \$585 843
recovered for
1316 employees

Fair Work Inspectors undertaking audits in regional areas report they were often welcomed and employers were keen to be provided with information about their responsibilities. Where contraventions were found, voluntary resolution was the usual outcome.

In 2010–11, the Fair Work Ombudsman began 28 regional education and compliance campaigns (see list below). The Royal Adelaide Show campaign was undertaken with state partner agency, SafeWork SA.

Where contraventions of the law were identified, the Fair Work Ombudsman worked with employers to achieve voluntary compliance. In 2010–11, \$585 843 was recovered for 1316 employees as a result of these campaigns.

New South Wales and Australian Capital Territory

- Fair Work Information Statement Audit Program

Northern Territory

- Mitchell Street and Waterfront Markets
- Darwin Caravan Parks Audit Program
- Hospitality Audit – Alice Springs and Katherine
- Right Start Campaign
- Fair Work Information Statement Audit Program

Queensland

- Traffic Control Industry Campaign
- Food Court Audit Program
- Fitness Industry Campaign
- South East Queensland Tiling Industry Audit Program
- Real Estate Industry Campaign
- North Queensland Employer Education Visits
- Sunshine Coast Regional Hospitality Program

South Australia

- Pooraka Produce Market – Follow Up Campaign
- Royal Adelaide Show – Follow Up Campaign
- McLaren Vale and Barossa Valley Winery Audits
- Right Start Campaign
- Fair Work Information Statement Audit Program

Tasmania

- Ongoing Record Keeping Audit Program
- Fair Work Information Statement Audit Program

Victoria

- Monthly Record Keeping Campaign
- Corryong and Wangaratta (Small Towns) Educational Campaign
- Regional Transport Industry Campaign

Western Australia

- Supermarkets Follow Up Campaign
- Rottnest Island Compliance Campaign
- Kalgoorlie – Apprentices, Trainees and Juniors Compliance Program
- Peel Region Education and Compliance Campaign
- Avon Valley Regional Campaign.

Investigating and resolving complaints

The Fair Work Ombudsman received complaints from employees in 2010–11 on a range of matters, including pay, conditions, workplace rights and discrimination.

Generally, complaints are received after employees have checked their pay, conditions and workplace rights and unsuccessfully tried to resolve the problem with their employer.

Employees can lodge complaints at Fair Work Online, by fax, post or in person. Extensive material on www.fairwork.gov.au sets out the process and advises employees on the documentation they may need.

**Over 22 523
complaints finalised,**
61% of these within
90 days

The Fair Work Ombudsman's compliance and education activities are supported by more than 420 Fair Work Inspectors in 53 metropolitan and regional offices across Australia. This includes 234 Fair Work Inspectors working in 27 state partner offices in Queensland, South Australia and New South Wales.

In 2010–11, the Fair Work Ombudsman received 21 890 complaints, of which 4299 were referred to state partner agencies. The Fair Work Ombudsman finalised 22 523 complaints in 2010–11. Of these, 36% were resolved through Assisted Voluntary Resolution, with the remainder resolved through investigation.

Helping employers and employees reach a fair outcome

The Fair Work Ombudsman uses Assisted Voluntary Resolution to help both parties to resolve a workplace complaint without having to immediately resort to formal investigation. The informal approach of Assisted Voluntary Resolution can achieve a fair outcome to disputes quickly.

Typically, matters that follow this process start with an employee or former employee lodging a complaint where they believe they have not received their correct wages and entitlements. The Fair Work Ombudsman will then help employers and employees resolve disputes by:

- providing assistance and advice to both complainants and alleged offenders
- increasing both parties' understanding of workplace rights and obligations under Australian workplace laws
- achieving an outcome that is acceptable to both parties.

From 1 July 2010 to 30 June 2011, Assisted Voluntary Resolution was used to resolve 8215 complaints relating to more than \$7.9 million in unpaid wages and entitlements.

TABLE 7: COMPLAINTS FINALISED BY STATE AND TERRITORY 2010–11

State or territory	2010–11	% resolved by AVR 2010-11	2009–10
Australian Capital Territory	312	44%	3321
New South Wales	6351	29%	4265
Northern Territory	233	51%	405
Queensland	5682	30%	4545
South Australia	1525	33%	1169
Tasmania	492	48%	561
Victoria	6103	47%	4942
Western Australia	1825	43%	1862
Total	22 523	36%	21 070

TABLE 8: PAYMENTS RECOVERED FROM COMPLAINTS AND TARGETED AUDITS 2010–11

State or territory	Number of individuals receiving payments	Payment
Australian Capital Territory	224	\$384 857
New South Wales	4182	\$8 215 143
Northern Territory	542	\$273 382
Queensland	5142	\$6 082 183
South Australia	1048	\$1 579 496
Tasmania	1186	\$858 767
Victoria	3556	\$7 573 146
Western Australia	1480	\$1 788 843
Total	17 360	\$26 755 817



Reaching some of Australia's remotest workplaces

Through a network of 53 offices, the Fair Work Ombudsman and its state partners provided services to within a 300km radius of 99% of Australia's working population in 2010–11.

Fair Work Inspectors sometimes need to obtain witness accounts and seek interviews on top of any written evidence in the course of a complaint investigation. This can apply to any workplace, whether it is based in cities or in remote communities.

In November 2010, a team of Fair Work Inspectors from the Darwin and Adelaide offices visited a remote Aboriginal community in the Northern Territory to investigate the non-payment of Indigenous workers. The investigation related to work undertaken on a project converting an old power station into an art facility for local artists. The Inspectors travelled almost 800km south-west of Darwin to visit the Kalkarindji and Daguragu communities to hold information sessions and investigate the alleged non-payment of wages.

While meeting with and interviewing parties to the complaint, local community members were invited to talk to Inspectors and find out about their rights and entitlements at work, and how the Fair Work Ombudsman can help them.

Promoting workplaces free from discrimination

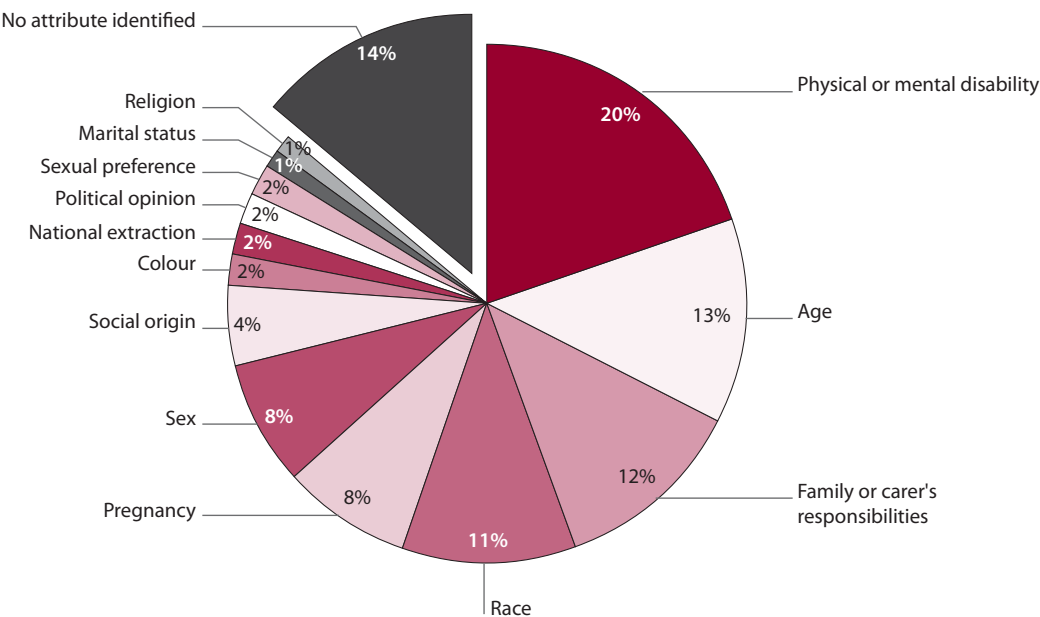
The Fair Work Ombudsman is responsible for addressing workplace discrimination matters occurring on or after the start of the Fair Work Act on 1 July 2009. Every employee, regardless of how old they are, has the right to work without fear of discrimination.

During 2010–11 the Fair Work Ombudsman produced new educative material aimed at helping mature-age workers avoid age discrimination at work. Tens of thousands of brochures highlighting the issue have been circulated at events and through publications. Unlawful discrimination against mature-age workers can include an employer refusing to employ, promote or train someone because they are considered too old or repeatedly offering training and promotion opportunities and overtime and penalty shifts to young staff first.

From 1 July 2010 to 30 June 2011, the Fair Work Ombudsman received and assessed 1171 discrimination complaints, an increase of 46% on the 801 discrimination complaints received in 2009–10.

Physical or mental disability, age and family or carer's responsibilities were the basis of the top 44% of workplace discrimination complaints

FIGURE 6: BREAKDOWN OF ATTRIBUTES OF ALLEGED DISCRIMINATION COMPLAINTS RECEIVED IN 2010–11



The most common attribute of discrimination complaints in 2010–11 was physical or mental disability (20%), which was also the most common attribute in 2009–10 (14%).

In 2010–11, age (13%) was the second most common attribute (up from 7% in 2009–10). Family or carer's responsibilities (12%) was the third most common attribute (up from 5% in 2009–10).

Tailored assistance for Australia's largest employers

The Fair Work Ombudsman provided a free and voluntary program specifically designed to assist large national enterprises become fairer workplaces.

Over 31 large employers and over 209 000 employees were assisted through specialised engagement

The National Employer Program involved working closely with participating businesses to provide education and advice, and to identify specific areas where the employer can improve or strengthen its workplace policies or practices.

In 2010–11, the Fair Work Ombudsman supported 31 large national enterprises, which together employ more than 209 000 people across nine industries. Most of these employers (61%) were from the retail industry, followed by the manufacturing industry (13%).

Of the 537 compliance-related recommendations made to employers as part of the program, more than 47% related to leave entitlements. Over 18% of recommendations related to parental leave, reflecting the recent changes following the commencement of the Australian Government's Paid Parental Leave scheme.

Employers who completed the National Employer Program reported that they found their participation beneficial. In particular, participants in 2010–11 praised:

- the quality and usefulness of the advice provided
- the technical knowledge and professionalism of the National Employer Advisers
- the opportunity to have a technically proficient National Employer Adviser, who was a 'fresh set of eyes' for their business policies
- the reassurance they gained in ensuring they were meeting their obligations
- the cooperative nature of the program providing a positive experience of working proactively with government.

Achieving outcomes through enforceable undertakings

Enforceable Undertakings served as an effective tool in achieving voluntary compliance with workplace laws without the expense and delay associated with litigation.

An Enforceable Undertaking enables the Fair Work Ombudsman to accept a written commitment from a person following a contravention of the Fair Work Act. The Fair Work Ombudsman uses an Enforceable Undertaking where it serves the public interest and can sufficiently rectify the alleged contravention.

Each Enforceable Undertaking contains an admission of identified contraventions and may include other terms such as:

- commitments to future compliance with Australian workplace laws
- participation in accredited management training
- rectification of outstanding entitlements
- provision of a written apology to the people affected by the contravention.



Effective outcomes through voluntary compliance

In 2010–11, the Fair Work Ombudsman continued to use Enforceable Undertakings to achieve strong voluntary compliance outcomes without the need for court proceedings. Enforceable Undertakings also can provide opportunities for continued compliance that may not be available from an order of a court.

In March 2011, an Enforceable Undertaking entered into with retailer Coles provided opportunities to remind employers of the need to ensure that their workplace agreements are not inadvertently breaching workplace laws on pregnancy discrimination.

Coles unwittingly contravened workplace laws in October 2009 when it transferred a fresh produce manager at one of its New South Wales stores to the role of service assistant on \$67.40 a week less pay.

Coles had a collective agreement, made before the introduction of the National Employment Standards, which allowed pregnant staff to be transferred to a safe job at the pay rate and on the conditions attached to that job. However, the Fair Work Act states that if pregnant employees with at least 12 months service are transferred to a safe job, there must be no change to her terms and conditions of employment.

When alerted to the problem, Coles promptly took steps to conduct an audit, undertake training and change the company policy. Following an investigation by the Fair Work Ombudsman, Coles voluntarily:

- educated its management teams about the National Employment Standards and its obligations to pregnant employees
- reviewed company policies relating to the transfer of pregnant employees to safe jobs
- checked whether any other pregnant employees were underpaid and apologised to the affected employees.

As part of the Enforceable Undertaking, Coles has also:

- reimbursed other pregnant workers found to have been underpaid
- posted notices about the rights of pregnant employees in all stores for at least 30 days
- trained supervisors on company obligations to pregnant employees, and
- donated \$20 000 to JobWatch Australia to fund workplace rights education for pregnant employees.

TABLE 9: ENFORCEABLE UNDERTAKINGS RECEIVED IN 2010–11

Date of undertaking	Nature of contravention	Employer	Amount of under-payment	Additional obligations
8 November 2010	Wages and conditions	Kingrise Corporation Pty Ltd	\$41 690	Future compliance, letter of apology to affected employees, self-funded training of key personnel and self-funded audit by relevant industry association to determine ongoing compliance.
18 November 2010	Wages and conditions	Irvine's Transport (Port Pirie) Pty Ltd	\$144 465	Future compliance, letter of apology to employees, verbal explanation to affected employees, public notice, self-funded training of key personnel, future reporting to the Fair Work Ombudsman.
21 January 2011	Wages and conditions	Toys "R" Us Pty Ltd	\$998 000	Future compliance, letter of apology to affected employees, self-funded training of key personnel and self-funded audit by relevant industry association to determine ongoing compliance.
21 January 2011	Wages and conditions	eJack Pty Ltd	\$137 984	Making good the outstanding under-payment, letter of apology to affected employees, paid meeting of affected employees, compliance training, future reporting to the Fair Work Ombudsman.
15 February 2011	Wages and conditions, time and wage records, agreement-making (no ready access before vote, no reasonable opportunity to approve collective agreement before lodgement)	Ascot Haulage (NT) Pty Ltd and Northern Territory Freight Services Pty Ltd	\$19 228	Future compliance, rectification of underpayments, paid meeting with explanations to affected employees, letter of apology to affected employees explaining the corrected annual leave arrangements, reporting to the Fair Work Ombudsman providing documentary proof and human resources training.
3 March 2011	Pregnancy discrimination	Coles Supermarkets Australia Pty Ltd	\$30 402	Rectification to affected employees, apologies to affected employees, workplace notice, training, amendment to policies, audit of past practices, \$20 000 donation to Job Watch.

TABLE 9: ENFORCEABLE UNDERTAKINGS RECEIVED IN 2010–11 *cont*

4 March 2011	Wages and conditions	CFC Retail Pty Ltd	\$464 289	Rectification of all outstanding underpayments, future compliance, letter of apology to affected employees, paid meeting of affected employees, public notice to be placed in newspaper, workplace notice, future reporting to the Fair Work Ombudsman.
28 March 2011	Sham contracting and non payment of wages	Signature Portrait Studios Pty Ltd	\$4200	\$4200 as compensation to two employees, \$200 donation to Kingsford Community Legal Centre, apology to affected employees.
12 May 2011	Wages and conditions	ACN 090 444 518 Pty Ltd	\$87 997	Future compliance, a public notice regarding the underpayments in newspaper, participation in workplace relations compliance training, funding production of employee rights information packs for TAFE hospitality students, future auditing and reporting to the Fair Work Ombudsman, future reporting regarding attempts to locate former employees.
24 May 2011	Wages and conditions	Fueltown Motors Pty Ltd	\$175 266	Future compliance, making good the outstanding underpayment by August 2011, newspaper advertisement apologising to the underpaid workers, workplace relations compliance training, future auditing and reporting to the Fair Work Ombudsman, future reporting regarding attempts to locate former employees.
15 June 2011	Wages and conditions	CMA Corporation Ltd, CMA Recycling Pty Ltd, CMA Assets Pty Ltd	\$138 020	Future compliance, letter of apology to affected employees, memo to all employees, public notice on website for 30 days, preparation of workplace compliance manual, workplace relations compliance training, reporting to the Fair Work Ombudsman for the next two years.
Total			\$2 241 541	

Full details of these Enforceable Undertakings are available from www.fairwork.gov.au



Working with Australia's largest employers

Australia's top 10 companies employ about 5% of Australia's workforce¹. The Fair Work Ombudsman is committed to working closely with large national employers to identify areas for improvement, and guide them to implement appropriate solutions.

In May 2011, the Fair Work Ombudsman and McDonald's Australia embarked on a new national initiative to ensure employee pay slips for McDonald's 85 000-strong national workforce are accurate.

McDonald's, in collaboration with the Fair Work Ombudsman, set up a self-audit process to review about 8500 pay slips and correct any issues it found. The review is in line with McDonald's goal of being an employer of choice for young people and operating its business ethically. The review is part of a Pro-active Compliance Deed McDonald's signed with the Fair Work Ombudsman. This initiative served as a model for other companies, large and small, who want to be seen as a great place to work for young employees or people looking to gain foundation skills for their careers. It also provided an opportunity for McDonald's to show corporate responsibility to its thousands of young and casual workers and leadership to the rest of the franchising industry.

Recognising that problems may sometimes occur with the payment of correct wages and entitlements, McDonald's will be asking its franchise holders to pay careful attention to the minimum hourly rate for employees under 16 and meal allowances for overtime shifts.

Metropolitan and regional McDonald's stores will be selected for self-audit in consultation with the Fair Work Ombudsman. McDonald's is undertaking the task voluntarily and has agreed to immediately correct any underpayments it might discover.

This approach allows the Fair Work Ombudsman to proactively assist a large number of Australian workers through specialist services that meet the needs of employers and use the agency's resources more effectively.

¹ www.anz.com/personal/investments-advice/shares-managed-funds/online-investment-account/australias-biggest-companies/

Addressing incidents of serious, wilful and repeated non-compliance

The Fair Work Ombudsman generally takes legal action as the last resort in a broader compliance system. In the majority of instances, the Fair Work Ombudsman achieves compliance with Australian workplace laws voluntarily, assisted by targeted and industry-specific education and compliance campaigns.

The Fair Work Ombudsman's litigation policy guides the decision to take legal action for an alleged breach of the law. The Fair Work Ombudsman's aim is for litigation activities to be transparent, accountable, constructive and effective.

The Fair Work Ombudsman undertakes legal action in situations where employers refuse to comply with Australian workplace laws, or where serious or repeated breaches were involved even though compliance may have been achieved voluntarily.

The agency also considers taking legal action to deter others from contravening Australia's workplace laws or where there is a need for judicial clarification of workplace laws.

Commonly, legal actions are undertaken in cases where breaches of Australia's workplace laws:

- have significant consequences
- are of significant public interest
- relate to a vulnerable community group
- an employer fails to rectify a breach of Australia's workplace law.

Civil penalty litigation

In 2010–11, the Fair Work Ombudsman:

- began civil penalty litigation 55 times
- obtained \$2 165 965 in court ordered penalties as a result of its litigation activity
- recovered \$2 017 612 in unpaid wages for 2484 workers.

During the year, the agency launched a number of significant litigation matters. Of the 55 litigation matters lodged in the courts, there were:

- 41 underpayment matters
- 4 sham contracting matters
- 2 agreement making matters
- 2 unlawful industrial actions
- 2 failures to comply with a notice to produce
- 2 discrimination matters
- 1 breach of freedom of association
- 1 adverse action matter.

A total of five (9%) of these matters involved foreign workers. The Fair Work Ombudsman also accepted 11 Enforceable Undertakings in 2010–11 as an alternative to litigation.

TABLE 10: CIVIL PENALTY LITIGATION AND ENFORCEABLE UNDERTAKINGS

	Civil penalty litigation commenced and Enforceable Undertakings approved for negotiation	Decisions and Enforceable Undertakings received	Penalties	Underpayments recovered	Enforceable undertakings accepted
*2005–06	9	0	\$0	\$0	0
*2006–07	58	19	\$387 035	\$0	0
†2007–08	65	53	\$1 536 140	\$91 930	0
†2008–09	78	39	\$1 680 206	\$821 779	3
2009–10	53	60	\$2 019 756	\$684 746	4
2010–11	55	40	\$2 165 965	\$2 017 612	11
Total	318	211	\$7 789 102	\$ 3 616 067	18

* Under the former Office of Workplace Services

† Under the former Workplace Ombudsman

TABLE 11: TYPES OF BREACHES WHERE CIVIL PENALTY LITIGATION WAS LAUNCHED AND ENFORCEABLE UNDERTAKINGS ACCEPTED IN 2010–11

Types of breaches	Litigation commenced	Enforceable Undertakings accepted
Adverse action	1	
Agreement making	2	
Discrimination	2	1
Failure to comply with Notice to Produce	2	
Freedom of association	1	
Sham contracting	4	1
Unlawful industrial action	2	
Wages and conditions	41	9
Total	55	11

TABLE 12: NATURE OF COURT DECISIONS AND ENFORCEABLE UNDERTAKINGS
ACCEPTED 2010–11

Nature of decision	Court decisions	Enforceable Undertakings received
Agreement making	1	
Discrimination		1
Failure to comply with Notice to Produce	1	
Freedom of association	1	
Industrial action	2	
Sham contracting	2	1
Unlawful industrial action	1	
Wages and conditions	32	9
Total	40	11

A number of the significant litigation matters begun during the year are outlined below. Full details of these litigation matters are available from www.fairwork.gov.au

Sham contracting – Sydney executives fined \$16 950

Fair Work Ombudsman v Centennial Financial Services Pty Ltd & Others

Two former executives of a Sydney finance company were fined a total of \$16 950 in June 2011 for sham contracting activity that affected nine workers. The former owner and sole director of Parramatta-based Centennial Financial Services, Mr Rolf Mertes, was fined \$13 200. The company’s former human resources manager, Mr Christopher Chorazy, was fined \$3750.

Following an investigation and prosecution by the Fair Work Ombudsman, the penalties were imposed in the Federal Magistrates Court in Sydney. Federal Magistrate Robert Cameron found that both Mr Mertes and Mr Chorazy were involved in breaches of the sham contracting provisions of Australia’s workplace law in 2007, and that Mr Chorazy was involved in nine sales staff being underpaid \$39 533 as a result.

Federal Magistrate Cameron said ‘the law’s disapproval of the conduct in question should be marked and a penalty serve as a warning to others not to engage in similar conduct.’

The sham contracting breaches occurred when the Centennial Financial Services employees were converted to contractors. Each of the workers was dismissed, told to obtain an Australian Business Number (ABN) and then immediately rehired as independent contractors to perform the same duties under the employer’s direction. They were then paid on a commission-basis and were no longer paid wages or received leave entitlements.

This case illustrates that just because a worker has an ABN and has been labelled a contractor does not necessarily mean they can legally be classified as a contractor. Centennial Financial Services was also a respondent to the prosecution, but the proceedings against the company were stayed when the company went into liquidation in 2009.

Underpaying staff – Hungry Jack’s fined for underpaying almost 700 staff more than \$665 000

Fair Work Ombudsman v Hungry Jack’s Pty Ltd

Rectifying underpayment
‘contraventions on a major scale’

In April 2011, fast food retailer Hungry Jack’s was fined \$100 500 after underpaying 693 of its Tasmanian employees a total of \$665 695 between March 2006 and August 2008.

Federal Magistrate Philip Burchardt imposed the penalty after Hungry Jack’s admitted to breaching workplace laws by underpaying staff and failing to keep proper employment records. He described the conduct of Hungry Jack’s as a

‘contravention on a major scale’, saying the total underpayment was ‘enormous.’

‘More than 30 employees were underpaid more than \$4000 each and the highest individual underpayment was over \$10 000,’ he said. ‘It is not unreasonable to suppose that employees in this industry may have been significantly disadvantaged.’

The scale of the underpayment of many young workers was a key reason the Fair Work Ombudsman decided to prosecute.

Hungry Jack’s paid the employees according to rates contained in an agreement it made with the Shop, Distributive and Allied Employees’ Association (SDA) - but the agreement was never certified by the Australian Industrial Relations Commission. As a result, the default position was that the employees should have been paid at the rates contained in the relevant Tasmanian awards.

Federal Magistrate Burchardt said he accepted Hungry Jack’s did not wilfully disobey the law but noted ‘it was Hungry Jack’s responsibility every bit as much as the SDA’s to ensure the agreement was certified. It is important that large corporations be reminded of their obligations and be deterred from failure to discharge them.’

Prosecutions such as this benefit employers who are complying with workplace laws because it helps them to compete on a level playing field.

Underpaying foreign workers – cucumber farm directors fined \$35 000

Fair Work Ombudsman v Nu Life Organic Farms Pty Ltd & Others

In September 2010, the operators of a Lockyer Valley cucumber farm were fined a total of \$35 360 for underpaying seven fruit and vegetable pickers. The Fair Work Ombudsman began litigation after its investigation found that seven Japanese foreign nationals had been underpaid \$20 000.

Nu Life Organic Farms Pty Ltd, which formerly operated the farm, was fined \$25 500, and company directors Mr Trevor Bell and Mr Peter Hill were fined \$4930 each.

The Federal Magistrates Court in Brisbane ordered the company to back-pay the former employees amounts ranging from \$682 to \$3822. The workers were paid about \$8.50 an hour when they should have been getting almost \$17 an hour.

Handing down his decision, Magistrate Michael Jarrett said there was a need to send a message 'to employers and the community generally that underpayment of wages will not be tolerated. This is particularly the case where vulnerable employees are involved.'

Magistrate Jarrett said Mr Bell, Mr Hill and the company had demonstrated 'reckless disregard' for their legal obligations and shown no remorse for their actions.

Progressing small matters more efficiently

The Fair Work Ombudsman uses the Small Claims Procedure to provide parties to a workplace complaint with an efficient and effective means to progress matters through court.

Matters involving the Small Claims Procedure are run in an informal manner, as the court is not bound by any rules of evidence or procedure in determining them. Legal representation is not generally allowed in a Small Claims Procedure unless the court agrees to it. A Fair Work Inspector or lawyer from the Fair Work Ombudsman may seek leave to appear as a 'Friend of the Court'. In this capacity they do not act for either party, but instead can assist the court on points of law or raise awareness of some important aspect of the case.

In 2010–11, the Fair Work Ombudsman began a Small Claims Procedure pilot in Melbourne and Coffs Harbour through the support of the Federal Magistrates Court. In the pilot, the Fair Work Ombudsman assisted parties to an underpayment complaint through the Small Claims Procedure in the Federal Magistrates Court. A typical complaint might involve a dispute about one or more of the following elements:

- annual leave
- payment in lieu of notice
- wages or allowances.

The Small Claims Procedure is contained in section 548 of the Fair Work Act and can be used for amounts of up to \$20 000.

The procedure cannot be used if an applicant is seeking a pecuniary penalty order against the respondent.

As at 30 June 2011, 38 small claims applications were determined before the Federal Magistrates Court. A total of \$86 174 has been recovered since the start of the pilot.

**Providing efficient
and effective outcomes
for 38 small claims
matters**

Goal 3 – Building an effective organisational profile and sustainable relationships

How the Fair Work Ombudsman builds its profile and sustainable relationships

To ensure continuing success of its range of programs, it is imperative that the Fair Work Ombudsman is forward-thinking as it builds on its profile and relationships. It does this by:

- raising community awareness of Australia's Fair Work system and the role of the Fair Work Ombudsman through a range of education resources
- providing consistent, easily accessible, high-quality services to its customers and stakeholders, using the principles of the Fair Work Ombudsman's Customer Service Charter
- working in collaboration with unions, employers and industry groups, and supporting other organisations and government agencies to provide information and support on workplace rights
- dedicated training for industry partners on the effective use of online tools
- using the new communication channels of social media to engage with employers and employees where appropriate.

What the Fair Work Ombudsman achieved in 2010–11

- Positioned www.fairwork.gov.au as the 'go to' source for accurate and reliable online workplace relations information and advice.
- Informed the public of its role through 341 media releases, resulting in 1290 print articles, more than 65 hours of radio and over 20 hours of television coverage.
- Generated total media coverage valued at more than \$2.9 million.
- Worked collaboratively with 31 large employers to achieve fairer workplaces for their 209 000 employees.
- Increased awareness among vulnerable worker groups of their workplace rights, and how the Fair Work Ombudsman can help them.
- Delivered consistently high levels of customer service through the Fair Work Infoline and www.fairwork.gov.au

- Utilised social media channels such as Facebook and Twitter to educate specific groups of workplace participants.
- Collaborated with industry groups to enhance the assistance and support available to employers.
- Partnered with government and community organisations to educate broader groups of workplace participants.

Raising awareness of the role of the Fair Work Ombudsman

The Fair Work Ombudsman's website (www.fairwork.gov.au) and the Fair Work Infoline (13 13 94) ensured that Australia's workforce had access to comprehensive information about workplace rights and obligations in 2010–11.

The Fair Work Ombudsman undertook a range of activities to increase awareness of how the agency helps to promote harmonious, cooperative and productive workplaces. These activities included:

- promoting www.fairwork.gov.au to people searching online to help them find accurate information on their workplace rights quickly and easily. Throughout 2010–11, the Fair Work Ombudsman used digital advertising placement to put www.fairwork.gov.au foremost in the search results of people searching for information on workplace issues
- providing educational material to groups with limited awareness of their workplace rights about how the Fair Work Ombudsman can help them. This included distributing translated educational materials through 22 university campus cafes in October 2010 to raise awareness among international students, and a national distribution of 40 000 postcards in September 2010 to encourage young workers to check their pay rates
- raising awareness of the Fair Work Ombudsman and encouraging people to seek advice and assistance by attending industry and community events. In February 2011, Fair Work Advisers and Inspectors attended Orientation Week events at 19 universities in capital cities and regional areas to provide information and answer questions. Staff also attended the Sydney Mardi Gras Fair Day to raise awareness of unlawful workplace discrimination. Feedback from attendees of these events showed the value of government representatives at events to demonstrate the way they can support specific communities
- working collaboratively across government to raise the profile of the services it provides. In June 2011, the Fair Work Ombudsman joined the Australian Taxation Office, Australian Building and Construction Commissioner, Department of Innovation, Industry, Science and Research, Intellectual Property Australia and the Australian Securities and Investments Commission at the inaugural Australian Chambers Business Congress on the Gold Coast. The Congress was a great example of how a range of government agencies can work together to meet the needs of businesses.

Working collaboratively across government to raise awareness of how the Fair Work Ombudsman helps

Increasing community awareness of its role

Media publicity played a key part in showing the community how the Fair Work Ombudsman's education and compliance activities achieved positive outcomes in 2010–11. Media reports also helped inform the public about the information, advice and assistance that the Fair Work Ombudsman provided through the Fair Work Infoline and www.fairwork.gov.au

Demonstrating positive outcomes through \$2.9m in equivalent media coverage

In 2010–11, the Fair Work Ombudsman provided timely information to the media on an almost daily basis about its compliance and education activities. A total of 341 media releases were issued through the year, resulting in 1290 print articles, more than 65 hours of radio and over 20 hours of television coverage.

To the end of the financial year, Media Monitors estimated that the media activity generated by the Fair Work Ombudsman was equivalent to more than \$2.9 million in paid print, radio and television coverage, a significant result which shows the value of good relations with a wide range of media.

Significant media coverage was generated in response to media releases on:

- the Enforceable Undertaking with Toys “R” Us, following its voluntary back-payments of \$1 million to 1000 staff (30 January 2011)
- Hungry Jack's fined \$100 500 for underpaying almost 700 staff (13 April 2011)
- convenience store operators fined \$150 000 for underpaying international students (27 April 2011)
- two companies prosecuted over alleged sham contracting involving call centre workers and door-to-door salespeople (3 May 2011)
- fines against a construction company which paid Chinese nationals just \$3 an hour (31 May 2011)
- the start of the Fair Work Ombudsman's national security industry follow-up campaign (14 June 2011)
- allegations that four foreign national oil rig workers were underpaid more than \$120 000 (27 June 2011).

Delivering consistent, high-quality services to customers

The Fair Work Ombudsman's Customer Service Charter covers the principles that underpin the quality service it provides all customers and stakeholders. The principles are:

1. accessibility - providing information and assistance online, over the phone, and in person so customers can choose the method that best suits them
2. customer focus - offering the best possible service and continually looking to improve on performance
3. continued consultation and review – aiming to answer questions quickly and providing regular progress updates during investigations
4. fairness - treating all members of the public fairly, equally, and without bias at all times
5. accountability - upholding the highest ethical standards at all times.

In September and October 2010, a customer satisfaction survey was conducted with 300 callers to the Fair Work Infoline and 300 workers who had lodged a workplace complaint with the Fair Work Ombudsman. The survey found:

- more than 70% of respondents were either 'very satisfied' or 'satisfied' with the level of service they received from the Fair Work Ombudsman
- over 90% of respondents reported ease in contacting the Fair Work Ombudsman.

The survey also provided feedback on the preferred methods of communication, as well as ways in which the Fair Work Ombudsman can further improve its service delivery standards.

TABLE 13: PERFORMANCE AGAINST ITS CUSTOMER SERVICE TIMEFRAMES 2010–11

	2010-11	2009-10
80% of investigations into complaints will be completed in 90 days	61%	75%
Fair Work Infoline will resolve 80% of matters at the first contact	97%	95%
Fair Work Infoline will be available 99% of the time during advertised hours	95%	99%
www.fairwork.gov.au will be available 99% of the time	99%	99%

Using new communication channels and delivery methods

The Fair Work Ombudsman utilises social media channels to engage with employers and employees where appropriate, providing new ways of communicating with and assisting Australian employers and employees.

A Facebook campaign in February 2011 used the Fair Work Fair Day Facebook page to promote the rights of gay, lesbian, bisexual, transgender and intersex people at work.

The page generated 1076 'Likes', resulting in educational messages reaching an estimated audience of more than 139 000 people¹.

Communicating with and helping targeted audiences through social media

¹ <http://www.facebook.com/press/info#!/press/info.php?statistics>

The Fair Work Ombudsman's Twitter profile, launched on 1 June 2011, provides updates on workplace relations news and tweets about helpful resources available from www.fairwork.gov.au. As at 30 June 2011, the @fairwork_gov_au Twitter username had 266 followers and had generated 28 'retweets' of information by other users.

Collaborative relationships to meet customer needs

Working together with unions, employer and industry groups

The Fair Work Ombudsman works closely with employer and employee organisations to educate workplace participants and promote compliance in ways that reflect the nature and needs of specific industries.

A total of \$2.5m in grants to industry and employer groups delivered guidance materials for 25 modern awards

Industry associations and unions were consulted during 2010–11 on issues and initiatives affecting their industry and members. This included the development of industry specific segments of www.fairwork.gov.au for the retail, cleaning, clerical, hair and beauty, security, hospitality and fast food industries, as well as the structure of educational and compliance campaigns.

The Shared Industry Assistance Projects (SIAP) program provided opportunities for the Fair Work Ombudsman to build stronger relationships with 15 industry organisations. The development of new guidance materials and jointly-facilitated seminars helped employers to better understand their modern award. The \$2.5 million program also demonstrated the value of collaboration with industry partners and the commitment of the agency to ensuring employers are educated about their workplace rights and obligations.

Through its National Employer Program, the Fair Work Ombudsman actively engaged with unions, industry and employer associations and chambers of commerce, which provided valuable industry knowledge and recommendations that helped shape the effectiveness of the program. These relationships also enable the Fair Work Ombudsman to keep industry partners informed of the progress and outcomes of its tailored approach to national employers.

Dedicated training and support for industry partners

The Fair Work Ombudsman conducted training in the use of the self-service online tools it provides. In 2010–11, training in modern award online tools was provided to more than 235 industrial relations practitioners from about 100 different employer organisations, unions and industrial relations consultancies. By providing training on how to effectively utilise the online tools, the uptake in use of the PayCheck, Payroll Check and Award Finder tools has increased significantly.

Transition Assist is a dedicated support service to resolve complex technical queries emailed from unions and employer organisations regarding modern awards. From September 2010, the service was expanded to include telephone assistance. Transition Assist supported the education and advisory services provided by unions and employer organisations through the finalisation of 293 emails and 141 telephone queries.

Supporting government and community partners

A variety of government agencies and community organisations play important roles in helping to increase the overall understanding of, and compliance with Australia's workplace laws.

In 2010–11, the Fair Work Ombudsman worked with government, community and industry partners to help Australians understand their entitlements and obligations in the workplace by:

- establishing relationships with not-for-profit community agencies to provide tailored information and education materials specific to the needs of vulnerable groups of employees. Organisations engaged with include the Australian Council of Social Service, Asian Women at Work in New South Wales, the Scarlet Alliance and the South Australian Young Workers Legal Service
- ensuring assistance and education was available to vulnerable employees by managing partnership contracts with Working Women's Centres in the Northern Territory, Queensland and South Australia, the Employment Law Centre of Western Australia and JobWatch in Victoria
- undertaking a joint research project with the University of Melbourne to examine the effectiveness of the agency's enforcement strategies and comparing its operations with those of similar regulatory agencies in Australia and overseas
- facilitating roundtable discussions with stakeholders in November 2010 and in April 2011 to gain feedback on the effectiveness of the Fair Work Ombudsman's activities and programs. The roundtables drew together a variety of academics, researchers, employee and employer representatives, the not-for-profit sector and other relevant organisations to explore how the agency's resources can be used to maximise public value
- presenting at seminars and expos relating to employment, industry development, workplace relations and the legal profession.

Working in partnership with community groups to educate and assist vulnerable employees



Providing support to Centrelink to assist the flood disaster relief

As the scale of the January 2011 floods in Queensland, Victoria and New South Wales became clear the Fair Work Ombudsman joined the national response to assist the considerable number of affected individuals and communities.

Centrelink provided front-line federal assistance during the emergency, coordinating and distributing emergency assistance to people affected by the disaster.

The Fair Work Ombudsman approached Centrelink with an offer to assist just before lunchtime on Wednesday 12 January. By the

morning of Friday 14 January, Fair Work Advisers were assisting Centrelink to respond to the emergency. Over a four week period, 50 staff were trained and deployed within Centrelink to help deal with the huge increase in calls for assistance.

Our team of over 174 Fair Work Advisers is trained and equipped to respond to a wide range of calls for assistance – be it a small business owner needing help with transitional provisions or an international student trying to find out about their entitlements at work. Staff willingly raised their hands to help Centrelink deal with increased demand in their call centre during the January floods, providing emergency assistance with a positive and helpful attitude.

The impact on the Fair Work Ombudsman's normal operations was minimised by its remaining staff ensuring the Fair Work Infoline continued to offer assistance. The Live Help service was unavailable, however, the Fair Work Ombudsman considered that it was in the national interest to respond in this way.

Centrelink CEO, Carolyn Hogg, said the immediate assistance of Fair Work Ombudsman staff helped her agency to process 272 000 claims for the Australian Government Disaster Recovery Payment, and the granting of more than \$324 000 000 to victims of the disaster.

Fair Work Ombudsman staff showed the flexibility of Australia's public servant workforce and provided a powerful demonstration of the value of a whole-of-government approach.

Sydney Fair Work Adviser, Michelle Griffin, said it gave the team a great sense of accomplishment regarding the calls they answered during their time at Centrelink. 'It has made us all very proud to have been a part of the team and to be given the opportunity to be able to assist the Australian public in a time of a natural disaster,' she said.

Goal 4 – Implementing effective business processes

How the Fair Work Ombudsman implements effective business processes

Timely and effective business processes are integral to the successful implementation of the Fair Work Ombudsman's education programs and campaigns on workplace rights and obligations. The agency implements effective business processes by:

- identifying, developing and managing tools and systems that are integrated, flexible and enable successful outcomes on behalf of employers and employees
- ensuring business processes support customer-focused outcomes
- providing practical and tailored education initiatives for small business
- better management of cases through Nexus, an innovative case management system
- improving processes to return unclaimed monies
- holding workshops across Australia to identify how behavioural change on compliance can be implemented.

What the Fair Work Ombudsman achieved in 2010–11

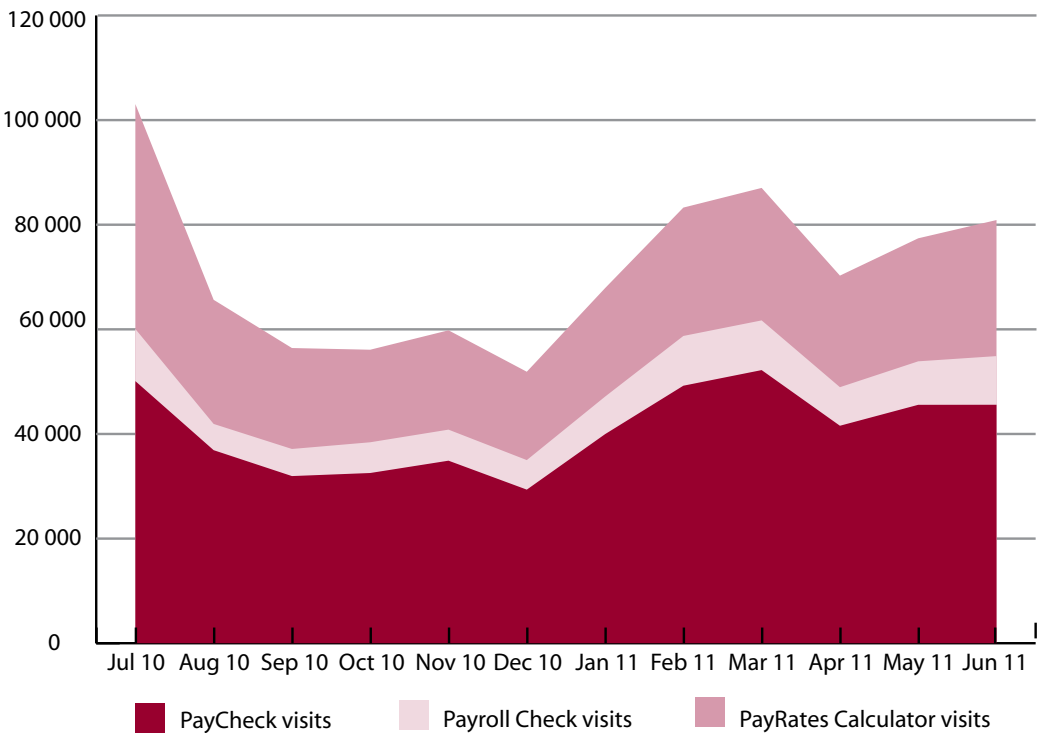
- Provided a suite of self-service online tools that generated an average 16 000 visits a week.
- Provided resources to help employers through Fair Work system changes, including the start of modern award transitional provisions and modern awards covering state Division 2B award employers.
- Implemented a new system to manage the Fair Work Ombudsman's wide-ranging educational and compliance activities.
- Finalised 172 investigation file reviews to ensure quality and transparency for customers.
- Returned \$145 783 in unclaimed monies by locating 168 'lost' employees.
- A specialist workplace discrimination team responded to 1171 discrimination complaints from employees.
- Identified innovative responses to broader behavioural issues affecting vulnerable workers.

Online tools provide effective support for employers and employees

The Fair Work Ombudsman’s website (www.fairwork.gov.au) delivers a range of valuable online self-service tools that provide access to advice and information 24 hours a day. Providing access to these self-service tools is critical to enabling the Fair Work Ombudsman to meet the needs of the Australian community.

As well as being self-service aids, these online applications are the tools that Fair Work Advisers use during calls with employers and employees on the Fair Work Infoline to help them understand their rights and obligations. The online pay tools generated 854 160 visits in 2010–11, providing users with timely and reliable advice and assistance.

TABLE 14: SELF SERVICE PAY TOOLS – MONTHLY VISITS 2010–11



Peaks in usage of the online tools at www.fairwork.gov.au occurred in July 2010 and in March 2011. This coincided with the start of modern award pay rates on 1 July 2010 and Division 2B state award employers transitioning to modern awards on 1 February 2011.

In June 2011, Adam Rodgers, the Fair Work Ombudsman's Assistant Director of Education, was awarded the Public Service Medal in recognition of his outstanding service and contribution to the development of PayCheck, an innovation which has had a positive effect on business owners and workers. Adam developed the initial concept of PayCheck and saw it through every step of creation, from design to consultation and implementation.

In 2011, the Fair Work Ombudsman began development of PayCheck Plus to build on the success of PayCheck and consolidate its suite of pay-related tools (PayCheck, Payroll Check and the PayRates Calculator) into a single pay tool providing a central source for pay queries.

To improve the support provided through www.fairwork.gov.au, a new structure for the website was launched in September 2010, incorporating content from the Fair Work Ombudsman website (www.fwo.gov.au).

The new topic-based structure was designed based on usability research aimed to provide clearer and simpler navigation for users. The new structure was tested with regional and metropolitan employees and employers, including small business owners. Feedback from this research shows that the new website provides a better navigation structure for users, improving the agency's ability to support productive workplaces.



Adam Rodgers, recipient of the Public Service Medal

Supporting employers and employees to adjust to the Fair Work system

Throughout 2010–11, further elements of the Fair Work system took effect (such as the commencement of modern award transitional provisions) that affected Australian workplaces. The Fair Work Ombudsman delivered resources and services to help Australians transition to the Fair Work system. These included:

PayRates Calculator helped with phasing in new rates of pay

On 1 July 2010, transitional provisions in 114 of the 122 modern awards began, allowing employers to start transitioning to pay rates incrementally.

The Fair Work Ombudsman provided tools to help employers and employees calculate how to phase in new rates of pay over a four year period from 1 July 2010. The PayRates Calculator, specifically designed for payroll staff, handled 281 019 visits to determine base rates of pay and penalty rates throughout the year, averaging more than 23 000 visits per month. In July 2010, it peaked at 42 994.

Fact sheets for employers moving to modern awards

On 1 February 2011, employers in New South Wales, Queensland, South Australia and Tasmania covered by some state awards moved to modern awards. The Fair Work Ombudsman and state partners published fact sheets to support these employers in the move.

The PayRates Calculator handled an average 23 000 visits per month, peaking at over 42 000 in July 2010

Best Practice Guide for Parental Leave

The Australian Government's Paid Parental Leave scheme began on 1 January 2011, with employers assuming responsibility for passing on payments from 1 July 2011. In preparation for the start of this major legislative change, the Fair Work Ombudsman educated employers and employees about the scheme and its relation to employer-funded schemes.

The Parental Leave Best Practice Guide was published in March 2011, and was downloaded 1332 times to 30 June 2011. In March 2011, IT systems were established to enable Centrelink to lodge complaints related to Paid Parental Leave directly with the Fair Work Ombudsman.

Case study



Providing practical and tailored education initiatives for small businesses

The Fair Work Ombudsman's Education Strategy puts an emphasis on providing direct and immediate access to educational resources tailored to the needs of the user.

Anthony Fogarty, Director of Education at the Fair Work Ombudsman, said that 'research undertaken to inform the

strategy showed that employers and employees prefer easily accessible, self-directed material that addresses their specific needs.'

Following the introduction of modern awards in 2010, the agency identified a need for practical and tailored education initiatives to help small businesses understand their new rights and responsibilities under the Fair Work system. A key initiative in 2010–11 was the development and launch of seven online industry sector pages targeting employers in a range of key industries – cleaning, clerical, fast food, hair and beauty, hospitality, retail and security.

'The industry sector pages provide tailored information and practical resources for employers about the specific award provisions that apply in their industry. The pages also provide access to helpful tools such as template forms and letters, checklists and links to pay and conditions guides,' said Anthony.

In 2010–11, the online industry pages generated more than 159 000 page views. Anthony said 'the industry pages, along with the broad suite of other educative tools and resources available on www.fairwork.gov.au – such as its pay tools, template letters for managing employment, fact sheets, Best Practice Guides and multimedia – are designed to make understanding workplace rights and responsibilities easier and accessible to more people.'

More effective management of cases

To provide more effective management of these cases and to replace the older systems used by its predecessors, the agency introduced a new case management system, Nexus, in October 2010. The Nexus system provides a number of benefits:

- a centralised store of records of information about complaints, referrals, audits and litigations
- ability to view the full life-cycle of a case, from registration to litigation. The evidence, correspondence and activities generated throughout the course of an investigation or audit are all stored in Nexus
- multiple allegations/contraventions can be recorded against one case. This improves the quality of data collected and the usefulness of reports, resulting in greater efficiency for Fair Work Ombudsman staff
- streamlining business processes and procedures and helping staff manage their workload
- allowing more efficient transfer of cases between work areas, as well as alleviating the need for paper-based forms.

Nexus provides a foundation that will allow greater integration of the agency's business systems in the future. Since its release, a number of enhancements have been made to improve the ease of use of the system for staff.

Processes to ensure investigation and service quality

Less than 1%
of the 22 523
complaints finalised
in 2010–11 received
requests for a
review

The Fair Work Ombudsman ensures that all parties in an investigation receive information on their right to a review if they have a complaint about the process or outcome. The Fair Work Ombudsman received 189 requests for a review of an investigation in 2010–11 and finalised 172 reviews. These requests represented less than 1% of the 22 523 complaints the Fair Work Ombudsman finalised for the year.

Parties also have a right to escalate the investigation review if they are dissatisfied with the outcome. In 2010–11, 41 reviews were escalated and all were finalised. Parties dissatisfied with

the outcomes of reviews undertaken by the Fair Work Ombudsman can choose to take the matter to the Commonwealth Ombudsman.

The Commonwealth Ombudsman initiated 23 investigations into complaints they received about the Fair Work Ombudsman during 2010–11. Of these, 16 were complaints about Fair Work Ombudsman investigations or customer service, and seven related to investigations undertaken by state partner agencies.

One investigation resulted in a finding of administrative deficiency. The remaining 22 resulted in no adverse findings and were subsequently resolved through direct actions taken by the Fair Work Ombudsman to resolve the complaints to the parties' satisfaction.

Improving processes to return unclaimed monies

The Commonwealth holds outstanding wages and entitlements, paid as a result of Fair Work Ombudsman investigations and voluntary compliance cases, for employees who cannot be located.

In 2010–11, a range of initiatives to locate people entitled to money being held by the Commonwealth were undertaken, including:

- a search facility on www.fairwork.gov.au for individuals to check if a former employer had paid the Commonwealth money owed to them
- an investigative project to find workers who have unclaimed monies held in trust. This resulted in \$145 783 returned to 168 people in 2010–11
- liaising with overseas embassies and government departments to locate people owed monies but who are no longer living in Australia.

Over \$145 000 in unclaimed monies was returned to 168 employees in 2010–11

Outstanding wages and entitlements of \$340 072 were paid to the Commonwealth in 2010–11 on behalf of employees who had left their employment and could not be located.

At 30 June 2011, the Commonwealth held \$1 660 234 for 6585 individuals who have not been able to be located to date. Of these, 3769 are owed less than \$100; 2065 are owed between \$100 and \$500; 432 are owed between \$500 and \$1000; and 319 are owed more than \$1000.

Specialist team to tackle workplace discrimination

Under the Fair Work Act, it is unlawful for an employer to adversely treat or impact a person's employment on discriminatory grounds.

A specialist team of Fair Work Inspectors assess and investigate complaints of discrimination in the workplace. This team:

- establishes whether discrimination complaints are within the jurisdiction of the Fair Work Ombudsman, and if not, where the complaint should be directed
- determines whether the information provided by the complainant suggests that a workplace discrimination contravention under the Fair Work Act may have occurred
- identifies and allocates discrimination matters for investigation by a Fair Work Inspector
- educates employers and employees about unlawful workplace discrimination.

In 2010–11, the team received and assessed 1171 discrimination complaints, with two matters referred for litigation. The Fair Work Ombudsman also undertook educational activities to raise community awareness about discrimination on the grounds of pregnancy, age and sexual orientation.

Encouraging behavioural change through innovative interventions

As a regulator covering more than one million Australian workplaces employing more than 11 million employees, the Fair Work Ombudsman is committed to identifying new ways of using its limited resources more effectively¹.

**Identifying ways
to change patterns
of behaviours
to promote
fairer compliant
workplaces**

The Fair Work Ombudsman believes that greater compliance can be achieved by changing patterns of behaviour in the workplace and began a process to develop innovative interventions to tackle major compliance issues.

Beginning in October 2010, the Fair Work Ombudsman gathered feedback from more than 20 staff workshops across Australia on major patterns of non-compliance in the community. This provided different perspectives on a range of compliance problems in Australian workplaces.

Following further research on these problems, five issues were selected for detailed analysis. The themes of exploitation of young workers, apprentices and trainees were identified for specific interventions in 2011–12.

¹ Australian Bureau of Statistics – Counts of Australian Businesses, including Entries and Exits 8165.0 June 2007 to June 2009 and Australian Bureau of Statistics – Labour Force, Australia 6202.0 September 2010

Goal 5 – Building capability in its people and culture

How the Fair Work Ombudsman builds capability in its people and culture

A well-trained and forward-thinking agency workforce ensures the Fair Work Ombudsman can deliver the best possible service to its clients and stakeholders. It builds capability by:

- providing and promoting strong leadership
- developing knowledge and technical and professional skills within the agency
- promoting a culture of continuous learning to upgrade skill levels
- developing a whole-of-organisation understanding and approach
- creating and maintaining a responsive organisational structure and corporate forums
- organising an Agency Survey to find out how employees feel about working for the Fair Work Ombudsman and what they believe it does well
- recognising outstanding contributions by staff through Annual Achievement Awards
- developing Work Level Standards to set clear expectations.

What the Fair Work Ombudsman achieved in 2010–11

- Staff engagement levels above the Australian Public Service benchmark average.
- Invested \$852 439 in 46 409 hours of internal and external training and development for staff.
- Launched two nationally-accredited qualifications to further develop the core competencies required by staff.
- Implemented a consultation framework to encourage staff to adopt consistent and transparent approaches to consultation across projects within all branches of the agency.
- Prepared the launch of a set of Work Level Standards to provide clear and consistent performance expectations for new and existing employees.
- Utilised the skill and experience of legal staff through 15 litigations undertaken using in-house lawyers.

Measuring staff satisfaction and engagement

The Fair Work Ombudsman undertook an Agency Survey in October 2010 to find out:

- how employees felt about working in the agency
- what they believed it did well
- areas where it could focus its efforts to build on its reputation as a great place to work.

Fair Work Ombudsman staff reported a level of engagement in their work higher than APS average

The survey measured the level of staff engagement in the work of the Fair Work Ombudsman. In areas of job engagement and organisational engagement, the employees of the Fair Work Ombudsman reported a level of engagement higher than the Australian Public Service benchmark average.

In December 2010, the Executive Board endorsed three focus areas to increase staff engagement. The areas are:

1. providing career opportunities to retain talent
2. equipping leaders at all levels to manage people through change
3. improving communication between internal business units.

Recommended initiatives based on these areas were implemented. Significant outcomes of this project are the:

- inclusion of change management training in the agency's leadership program
- development of a career conversation pilot program.

Supporting staff to do their jobs well

The Fair Work Ombudsman invested \$852 439 in internal and external staff training in 2010–11, providing 46 409 hours of training to support staff in their roles.

Developing professional skills and knowledge

Fair Work Ombudsman staff require a particular set of professional skills and knowledge to be able to assist employers and employees understand their rights and obligations in the workplace.

In November 2010, the Fair Work Ombudsman launched two nationally-accredited qualifications designed to develop the core competencies required by its staff. These were:

- Certificate IV in Government (Workplace Relations)
- Certificate IV in Government (Investigations).

The qualifications were developed in consultation with industry partners, national skills councils and other government departments. The certificates were endorsed in August 2010 by the National Quality Council as part of the Australian Training Framework.

Having specific qualifications for staff promotes a culture of continuous learning within the agency.

Building leadership capabilities

The Fair Work Ombudsman aims to build the leadership and executive capabilities of managers within the agency.

The Managers' Education and Support Program, implemented in 2010, provides ongoing education and support to managers on relevant topics related to human resources. The program was run through practical face-to-face workshops and email briefings.

In 2010, the briefings were available to all employees with supervisory responsibility. The sessions were held across several state capitals along with video-conferences for those unable to access a face-to-face session. Eight briefings were delivered.

During 2010–11, three leadership development programs were delivered for 111 staff from APS6 to SES levels with team management responsibilities. The programs provided practical training for staff to increase their leadership strengths and effectiveness. Peer support through the program increased the value of the outcomes.

Further details on staff education and training are provided on page 80 of this report.

Promoting collaboration and innovation among staff

The Fair Work Ombudsman promotes engagement and collaboration among staff through an internal communications strategy that reinforces the following key behaviours:

- respectfulness, honesty, integrity and fairness
- transparency and accountability for its decisions and actions
- collaborative, responsiveness to its colleagues, clients and stakeholders
- courageous, impartial, proactive, and professional conduct.

Throughout 2010–11, information and knowledge sharing among staff was facilitated through a range of online engagement activities, including blogs and wikis. These activities encouraged collaboration and innovation among staff working in different locations and business units to improve the way the agency serves its clients and stakeholders.

The Fair Work Ombudsman recognises the outstanding achievements of staff who demonstrate excellence in the way they serve the Australian community. In May 2011 (see Case Study on page 70), awards were presented to 11 individuals and teams who demonstrated excellence in how the agency promotes harmonious, productive and co-operative Australian workplaces, as well as examples of exceptional community service.



Ying Zheng, Fair Work Inspector, and Artie Scholte, Senior Education Officer, receive their Annual Achievement Awards

Recognising outstanding contributions of staff

The Fair Work Ombudsman's Annual Achievement Awards acknowledge and reward outstanding work performance, service, dedication and contribution to the achievement of the agency's key goals, key behaviours and community service.

In May 2011, Artie Scholte, Senior Education Officer, and Ying Zheng, Fair Work Inspector, were recognised with Best and Fairest Awards.

Artie Scholte was recognised for her commitment to developing capability in the Fair Work Ombudsman's people and culture. She balanced a hectic workload in the Education Team with her key role in the agency's Womens' Forum.

The forum supports women through networking events, professional and personal development, and addressing issues that impact women at work. The Womens' Forum provided opportunities for all staff to discuss and address issues affecting women in the workplace, so that their contributions and interactions in the workplace are fully recognised and understood. Artie took on the large task of managing the Womens' Forum Professional Development and Mentoring Conference for about 100 staff in September 2010.

Ying Zheng is an example of 'diversity at work.' Ying's award recognised her consistently high work standards and high finalisation rates as a Fair Work Inspector. Her exceptional performance was matched by her willingness to go to great lengths to help her colleagues and members of the community. Ying used her excellent Cantonese and Mandarin multi-lingual and interpreter skills to assist colleagues and clients, especially vulnerable migrant workers. She has helped many people with limited English skills to understand their rights and entitlements.

In 2011, the Fair Work Ombudsman began a formal bilingual register for staff with multilingual skills wishing to assist clients from non-English speaking backgrounds. Providing information to clients in their own language is valuable in helping vulnerable groups, such as foreign workers, to understand their workplace rights and entitlements.

Working collaboratively to achieve outcomes

Producing a framework to guide consultation activities

Best practice workplace consultation involves developing and implementing effective consultation mechanisms which encourage cooperation and the engagement of employees and management across the workplace. Employee involvement in decision making regularly leads to benefits such as increased productivity and greater collaboration.

The Fair Work Ombudsman's Consultation Framework, developed during 2010 and endorsed by the Executive Board in March 2011, aims to:

- facilitate a shared understanding among Fair Work Ombudsman staff of effective and efficient consultation
- generate a more consistent and transparent approach to consultation across projects within all branches of the agency.

The Agency Consultative Forum, widely accepted by employees, provides a valuable avenue for open communication and consultation across all levels and business units, facilitating continuous development and improvement of the agency. For more information see the Corporate Governance section on page 76.

Increasing workplace diversity

The Fair Work Ombudsman has made good progress towards increased workplace diversity within the agency. The formation of a Diversity Council drove the implementation of the Fair Work Ombudsman Diversity Action Plan and resulted in the signing of a Diversity Pledge by all SES officers. Fair Work Ombudsman diversity initiatives in 2010–11 included:

- membership of the Australian Network on Disability
- becoming the first Australian Government agency to sign a Memorandum of Understanding with the National Disability Recruitment Coordinator Program
- Indigenous Cultural Awareness Training for senior and middle management
- utilising alternative advertising mediums for recruitment advertisements to encourage people with a disability to consider joining the Fair Work Ombudsman.

Developing Work Level Standards to set clear expectations

All Australian Government agencies are required under the *Public Service Act 1999* to have a set of Work Level Standards setting out the requirements and performance expectations that apply to staff at a particular public service classification level.

Work Level Standards provide a clear guide to the knowledge and experience, interpersonal skills, judgement and accountability required for jobs at each level. They also help set clear and consistent performance expectations for new and existing employees.

In September 2010, the Fair Work Ombudsman began the development of draft Work Level Standards for the agency. This included referencing standards from predecessor agencies, the Australian Public Service Commission, and other Australian government agencies. More than 25% of agency staff attended consultation workshops, providing input from a wide cross-section of employees.

Further consultation with employee delegates and the Community and Public Sector Union was undertaken and the Fair Work Ombudsman Work Level Standards were prepared for launch in September 2011.

Delivering value for money and effective litigation outcomes through use of in house lawyers

Improving efficiency with in-house legal expertise

Since 18 August 2008, the Fair Work Ombudsman (and its predecessor agency, the Workplace Ombudsman), has been granted approval from the Attorney-General's Department to use in-house lawyers to conduct underpayment litigation (subject to certain conditions).

In-house litigation leverages the considerable legal experience and expertise within the Fair Work Ombudsman legal team, provides considerable cost savings and potentially faster litigation outcomes.

The Fair Work Ombudsman has a team of 37 lawyers headed by its Sydney-based Chief Counsel, Janine Webster. Janine's team comprises a Director of Legal Practice, Special Counsel, seven principal lawyers, 12 senior lawyers, 16 lawyers and four support staff. The approval by the Attorney-General, Robert McClelland, recognises the agency's professionalism, skills and expertise.

From 1 July 2010 to 30 June 2011, 15 litigation matters which the Fair Work Ombudsman filed in-house were decided and resulted in the awarding of \$364 425 in court-ordered penalties. Fair Work Ombudsman in-house lawyers have also appeared as counsel at directions hearings, penalty hearings and in receiving judgments.

The Fair Work Ombudsman spent \$2.8 million on external legal fees in 2010–11, a 38% reduction on the \$4.6 million spent in 2009–10. This decrease was largely attributable to the significant number of matters being run in-house.

Based on a 'blended hourly rate' of \$150 an hour for its own lawyers, compared to an average rate of \$303 an hour for an external lawyer, \$418 for a senior associate or \$515 for a partner, the Fair Work Ombudsman estimates it can halve the cost of running a litigation in the Federal Magistrates Court by using in-house legal staff. These cost savings have, and will continue to free up additional resources to conduct more litigation.

On 27 June 2011, the Attorney-General's approval for the Fair Work Ombudsman to use in-house lawyers was broadened to cover all civil-penalty litigation matters, including sham contracting, discrimination and general protections matters.

Allowing the agency to run its own litigation has assisted the Fair Work Ombudsman to attract and retain talented and skilled lawyers. Having an in-house practice means lawyers are able to maintain and build on their litigation skills and keep them current, which has proven invaluable in the retention of skilled staff.

4



Management and
accountability

Corporate governance

Corporate governance practices

In 2010–11, the corporate governance practices of the Fair Work Ombudsman ensured clear lines of accountability and well-defined performance management. These practices were overseen by the Executive Board with support from the following management committees:

- Agency Consultative Forum
- National Health and Safety Committee
- Information Technology (IT) Committee
- Audit Committee
- Contracts Committee.

Executive Board

In 2010–11, the Fair Work Ombudsman was managed by an Executive Board that provided corporate leadership and strategic direction. The board ensured compliance with the relevant legislation and set goals for, and managed, the overall performance of the agency.

Under its terms of reference, the board undertook responsibility for leadership of the organisation including:

1. developing and approving the strategic direction of the Fair Work Ombudsman
2. ensuring that policy and procedures were established to maintain the probity and integrity of Fair Work Ombudsman decision making
3. setting strategic direction and policy for financial and human resource management
4. ensuring compliance with relevant legislation
5. reviewing the management of the Fair Work Ombudsman and its performance against strategic and business goals
6. approving annual budget and business plans
7. overseeing significant expenditure/contracts
8. approving and monitoring systems of control and accountability
9. determining priorities and allocating resources to ensure Ministerial and Government expectations are met.

Executive Board members



Nicholas Wilson
Fair Work Ombudsman



Alfred Bongi
Group Manager,
Customer Service



Bill Loizides
Group Manager,
Field Operations



Janine Webster
Chief Counsel



Michael Campbell
Executive Director,
Workplace Relations
Policy and Education



Leanne Fry
Executive Director,
Workplace Relations
Communications and
Solutions



Su Kearns
Acting Group
Manager, Corporate
and Strategic
Development



Mark Scully
Acting Group
Manager, Finance
and Information
Management

Agency Consultative Forum

The Agency Consultative Forum was established under the terms of the Fair Work Ombudsman Enterprise Agreement 2010–11 to ensure open communication and consultation across all levels of the agency. The Agency Consultative Forum is comprised of three management representatives, 10 employee representatives and two employee representatives of the Community and Public Sector Union.

During 2010–11, the Agency Consultative Forum was consulted on a range of matters, including:

- implementation of the new case management system, Nexus
- development of new Work Level Standards for Fair Work Ombudsman employees
- delivery of the first Agency Survey, along with the subsequent engagement initiatives
- development of a revised security policy and guidelines
- development and implementation of a consultation framework
- development of online systems to streamline internal processes, such as performance management and payroll system enhancements.

National Health and Safety Committee

The National Health and Safety Committee is responsible for the development and implementation of workplace health and safety guidelines.

Formed under the terms of the Health and Safety Management Arrangements 2009–11, the committee reports to the Executive Board on policy matters concerning the occupational health and safety of agency employees. In 2010–11, the National Health and Safety Committee was comprised of the Fair Work Ombudsman, Nicholas Wilson, representatives from management, human resources, property and facilities and governance and security business units, as well as representatives from the Community and Public Sector Union and four health and safety representatives.

In 2010–11, key accomplishments of the committee included the finalisation and endorsement of the Health and Wellbeing Strategy, development and implementation of risk assessment templates, development and implementation of the Managing Difficult Clients Toolkit and Guide and the establishment of Health and Wellbeing Resource Centres in each Fair Work Ombudsman location.

Information Technology (IT) Committee

In 2010–11, the IT Committee consisted of representatives from business units across the Fair Work Ombudsman.

The committee also provided strategic guidance and recommendations to ensure that the Fair Work Ombudsman's IT systems supported business strategy, ongoing performance and risk management.

During the year, the committee oversaw and reported on the performance of the agency's IT systems. This covered major IT projects, including the introduction of a new case management system (Nexus), enhancement of online pay tools and the update of staff desktop computers and software.

Audit Committee

The Audit Committee ensures that public resources are appropriately utilised and that financial statements are accurate and reliable. The Audit Committee also oversees the agency's internal audit function.

In 2010–11, the Audit Committee provided independent assurance, advice and assistance to the Fair Work Ombudsman on its:

- risk management procedures
- risk and control framework
- external accountability (including the agency's financial statements)
- legislative compliance
- internal audit
- external audit.

In August 2010, the Fair Work Ombudsman's Strategic Internal Audit Plan for 2010–13 was finalised. This three-year plan covers a broad range of internal audits, including compliance based audits, performance improvement audits and comprehensive internal audits. The plan aims to ensure that the focus of audit activity is directed to areas of greatest risk and areas where management and the Audit Committee believe the greatest value can be added. Regular updates on implementation of the plan were provided at each meeting of the Audit Committee.

The Audit Committee plays a key role in securing and enhancing awareness of fraud control across the agency, including reviewing management's approach to new and emerging risks during periods of significant change, such as the implementation of new policies and programs.

During 2010–11, the Audit Committee addressed the Australian Government's requirements in relation to fraud prevention, reporting, detection, investigation, prosecution and other associated issues with a Fraud Control Plan.

The Fair Work Ombudsman certifies that the agency has prepared a fraud risk assessment and fraud control plan with appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes. The Fair Work Ombudsman has taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud against the agency. All actions taken by the Fair Work Ombudsman are in compliance with the Commonwealth Fraud Control Guidelines 2011.

Contracts Committee

The Contracts Committee ensures that agency-wide procedures for the procurement of major supplies and services, and for the management of significant contracts, are followed. It also ensures that the agency's procurement practices are consistent with the Commonwealth Procurement Guidelines. In 2010–11, these duties were fulfilled with a committee comprising four Senior Executive Service officers.

External scrutiny

Judicial decisions and administrative reviews

There were no judicial decisions or administrative reviews or findings that impacted on the agency's operations during the reporting period.

Auditor-General's reports

The agency did not directly participate in any Australian National Audit Office audits during the year (other than the annual audit of the financial statements).

Management of human resources

The Human Resources and Strategic Development Branches of the Fair Work Ombudsman are responsible for recruitment services, pay and employee entitlements, learning and development, leadership development programs, rewards and recognition, policy development and advice.

Major achievements for 2010–11 included:

- development of programs to support workforce capability
- completing selection processes to support business unit recruitment, including eight bulk Contact Centre recruitments
- development and implementation of a consultation framework
- implementation of a Managers' Education and Support Program
- completion of the first Agency Survey
- delivery of the inaugural Fair Work Ombudsman graduate program
- implementation of the Connect payroll system.

Learning and development

In 2010–11, 1.5% (\$2.3 million) of the Fair Work Ombudsman's total expenditure was dedicated to learning and development initiatives, including the delivery of 46 409 training hours to staff nationally.

Table 15 lists the training programs delivered throughout the year. In addition, the following training initiatives were delivered:

- Certificate IV in Government (Workplace Relations)
- Certificate IV in Government (Investigations)
- Diploma in Project Management
- National Workplace Relations Technical Training Program
- Investigations Training
- Nexus Training
- Judgement and Decision-making Training
- State Referral Inspector Training
- Technical briefings on upcoming workplace relations issues
- Presentation Skills Training.

TABLE 15: TRAINING PROGRAMS DELIVERED IN 2010–11

Training program	Sessions completed in 2010–11	Participants
Technical Induction Program	13	102
Workplace Performance Training*	45	467
Systems Training	152	1803
Technical Training	29	286
Accredited Qualifications**	5	57
Enabling Skills Programs***	47	285

* Includes anti-discrimination training, non-technical Fair Work Act training, corporate induction, judgement and decision making

** Certificate IV in Government (Workplace Relations) and Certificate IV in Government (Investigations)

*** Programs included presentation skills, Diploma in Project Management, giving and receiving feedback, equal opportunity and discrimination.

Leadership development

In 2010–11, the Fair Work Ombudsman delivered three key leadership development programs:

- **Team Leader Development Program:** this program was aimed at APS6 and EL1 employees who were supervising staff or would be in the near future. The program developed their skills around managing people. Forty-one employees completed the program and the program received very positive feedback.
- **Targeted Leadership Enhancement Program:** this was a progression of the Team Leader Development Program, aimed at EL2 employees who were considered to have prospects of promotion.
- **Fair Work Ombudsman Leadership Innovation Program:** provided for all SES and EL2 employees (comprising around 55 senior managers) and covered a range of leadership development activities. In 2010–11, topics included; change management, emotional intelligence and strategic problem solving. The program continued to create a strong and cohesive leadership cadre within the agency.

Recruitment

The Fair Work Ombudsman is committed to fair, transparent and timely recruitment processes to find the most suitable candidate for each vacancy.

During 2010–11, the Fair Work Ombudsman undertook 62 external recruitment processes (excluding graduate and Fair Work Adviser rounds) resulting in a total of 88 employment offers.

The Fair Work Ombudsman completed nine bulk recruitment rounds, eight for Fair Work Advisers and one for the inaugural graduate program. The graduate program attracted a high level of interest from university graduates in Melbourne, Sydney and Canberra. Five graduates were engaged for the 2011 program and are completing a Diploma of Government through the Australian Public Service Commission.

In 2010–11, the Fair Work Ombudsman attracted a high level of candidate applications, with an average of over 51 applicants per external job advertisement. The Fair Work Ombudsman has predominantly used online advertising to attract candidates to job vacancies.

Through the implementation of an updated e-recruitment system and leading recruitment practices, the Fair Work Ombudsman experienced an average of 27 business days from job open to offer accepted by the successful candidate.

The Fair Work Ombudsman has committed to flexible work practices and all vacancies in 2010–11 were made available as full-time or part-time. The percentage of part-time employees increased to 14% in 2010–11, up from 12% in 2009–10. In 2010–11 female candidates were successful in obtaining 65% of all engagements and movements.

Workplace diversity

As part of its commitment to workplace diversity and inclusion, in 2010–11 the Fair Work Ombudsman undertook a number of significant workplace diversity and inclusion initiatives.

A Diversity Council was established with Executive Board and staff representation, resulting in the development of a comprehensive Diversity Action Plan for 2011–12. In addition, all Senior Executive Service officers have signed a Workforce Diversity and Inclusion Pledge formalising their individual commitment to diversity and inclusion.

Membership of the Fair Work Ombudsman's Womens' Forum consisted of 158 staff in 2010–11 and an Executive Board member was appointed in the role of Womens' Forum Sponsor. A number of the recommendations made in a gender diversity study undertaken in 2009–10 have been implemented. These have included a professional development program for women, accreditation as a breastfeeding-friendly workplace and the launching of a Keeping in Touch Policy for people going on parental leave.

In 2010–11 the agency continued to implement the Fair Work Ombudsman Reconciliation Action Plan. The Reconciliation Working Group has prepared a Reconciliation Action Plan Report, which has been forwarded to Reconciliation Australia. The Fair Work Ombudsman remains committed to the operation of the Reconciliation Action Plan strategies and to working closely with other agencies to achieve the APS-wide target of 2.7% Aboriginal and Torres Strait Islander employees by 2015.

Fair Work Ombudsman Enterprise Agreement

Appointed representatives reached an in-principle agreement on a new Fair Work Ombudsman Enterprise Agreement for the period 2011–14 on 30 June 2011 following a successful round of bargaining discussions. The bargaining process involved extensive consultation with staff through information meetings, regular staff email updates and intranet articles and a dedicated intranet page.

Performance and Development Framework

The Performance and Development Framework aims to ensure that the highest quality performance and leadership standards and consistent practices are implemented throughout

the agency. It includes a focus on key outcomes, the demonstration of the Fair Work Ombudsman's key behaviours, and the development requirements for each individual employee. The Performance and Development Framework also provides for tailored learning, development and career planning for all employees.

Rewards and recognition

The Fair Work Ombudsman supports a modern, flexible and high performing workplace where individual, team and organisational achievements are valued through its Rewards and Recognition Policy.

A significant part of the Rewards and Recognition Policy was the Fair Work Ombudsman Annual Achievement Awards program. The awards recognised the outstanding achievements of employees across six award categories that demonstrate and reinforce the agency's key behaviours.

The Annual Achievements Award program occurred in early 2011, with awards presented at a formal ceremony in May 2011. A total of 65 award nominations were made by employees within the agency, and seven award winners and four highly commended awardees were selected by a committee representing a cross-section of the agency at the Executive Level.

Health and wellbeing

The Fair Work Ombudsman is committed to maintaining and improving the health and wellbeing of its employees. In 2010–11, the agency implemented programs to support the mental health and wellbeing of staff while continuing to deliver existing occupational health and safety services. Together, these contribute to, and improve, the overall health of the Fair Work Ombudsman's workforce.

During 2010–11, the following initiatives were undertaken or implemented:

- a mental health awareness briefing for executive directors
- delivery of stress resilience training to agency employees
- mental health first aid training for human resources employees
- health and wellbeing resource centres were established in all Fair Work Ombudsman office locations
- inspections of designated work groups, followed by corrective action
- workstation assessments and rehabilitation case management services provided to meet the health, safety and rehabilitation needs of employees
- a vaccination program, including seasonal influenza, Q fever and hepatitis A and B
- development of an annual leave management initiative to encourage use of excessive annual leave credits.

Purchaser–provider arrangements

The Fair Work Ombudsman's procurement policies are consistent with the provisions of the *Financial Management and Accountability Act 1997* and the Commonwealth Procurement Guidelines.

The Fair Work Ombudsman makes full use of AusTender in its procurement activities.

To assist in the effective monitoring and reporting of contracting activities, a contracts register is maintained and required information is published at www.fairwork.gov.au. An Annual Procurement Plan is published on AusTender in accordance with the Commonwealth Procurement Guidelines.

During 2010–11, the Fair Work Ombudsman purchased information technology services and a number of other administrative functions from the Department of Education, Employment and Workplace Relations under a memorandum of understanding.

Analysis of financial performance

The Fair Work Ombudsman's financial results for 2010–11 are outlined in the financial statements section of this report.

The net result of the second year of the Fair Work Ombudsman's operations was a loss of \$13.674 million. This result includes \$9.611 million of depreciation which no longer forms part of the departmental operating appropriation of the agency, but is provided separately as a departmental capital budget and recorded in equity as a contribution by owners. The remainder of the loss was due to increased costs relating to state partner contracted workloads.

The Fair Work Ombudsman maintained sufficient cash through the year to fund its operations. There are adequate funds held in the Official Public Account as undrawn appropriations, which will be used to pay employee entitlements and other payables as and when they fall due.

5



Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Tertiary Education, Skills, Jobs and Workplace Relations

I have audited the accompanying financial statements of the Office of the Fair Work Ombudsman for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; Schedule of Administered Items; and Notes comprising a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Fair Work Ombudsman is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of the Fair Work Ombudsman's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Fair Work Ombudsman's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Office of the Fair Work Ombudsman's, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

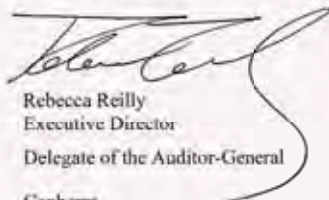
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Office of the Fair Work Ombudsman:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Office of the Fair Work Ombudsman's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director

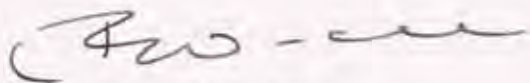
Delegate of the Auditor-General

Canberra

15 September 2011

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Nicholas Wilson
Chief Executive

15 September 2011



Mark Scully
Chief Financial Officer

15 September 2011

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	80,961	74,568
Suppliers	3B	59,236	67,511
Grants	3C	709	-
Depreciation and amortisation	3D	9,611	12,474
Losses from asset sales	3E	98	83
Total Expenses		150,615	154,636
LESS:			
OWN-SOURCE INCOME			
Own-Source Revenue			
Sale of goods and rendering of services	4A	-	20,104
Rental income	4B	1,147	17
Total own-source revenue		1,147	20,121
Gains			
Other gains	4C	453	236
Total gains		453	236
Total Own-Source Income		1,600	20,357
Net Cost of Services		(149,015)	(134,279)
Revenue from Government	4D	135,341	144,645
Surplus (Deficit)		(13,674)	10,366
OTHER COMPREHENSIVE INCOME			
Changes in Asset Revaluation Reserve		-	1,039
Total Other Comprehensive Income		-	1,039
Total Comprehensive Income (Loss) Attributable to the Australian Government		(13,674)	11,405

The above statement should be read in conjunction with the accompanying notes.

The movement from a surplus in 2009-10 to a deficit in 2010-11 is primarily due to a change in the way the Australian Government funds depreciation and capital expenditure. In 2009-10, depreciation expenditure was funded through departmental appropriations and treated as revenue by the receiving Agency.

From 1 July 2010, depreciation expenditure has been removed from appropriations and replaced by departmental capital budgets (DCBs) which are to be used in the procurement of items of a capital nature. DCBs are to be treated as a contribution by owners and are disclosed in the Statement of Changes in Equity.

BALANCE SHEET*as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	1,972	1,331
Trade and other receivables	5B	81,011	77,311
Total financial assets		82,983	78,642
Non-Financial Assets			
Land and buildings (leasehold improvements)	6A	21,869	25,882
Property, plant and equipment	6B	1,765	503
Intangibles	6D	4,989	4,414
Other non-financial assets	6F	143	1,346
Total non-financial assets		28,766	32,145
Total Assets		111,749	110,787
LIABILITIES			
Payables			
Suppliers	7A	12,608	12,153
Other payables	7B	6,609	7,276
Total payables		19,217	19,429
Provisions			
Employee provisions	8A	15,142	14,062
Other provisions	8B	7,915	8,716
Total provisions		23,057	22,778
Total Liabilities		42,274	42,207
Net Assets		69,475	68,580
EQUITY			
Contributed equity		71,744	57,175
Reserves		1,039	1,039
Retained surplus (accumulated deficit)		(3,308)	10,366
Total Equity		69,475	68,580

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2011

	Notes	Retained Earnings		Asset Revaluation Reserve		Contributed Equity		Total Equity	
		2011	2010	2011	2010	2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance									
Balance carried forward from previous period		10,366	-	1,039	-	57,175	-	68,580	-
Opening balance		10,366	-	1,039	-	57,175	-	68,580	-
Comprehensive Income									
Surplus (Deficit) for the year		(13,674)	10,366	-	-	-	-	(13,674)	10,366
Other comprehensive income - changes in Asset Revaluation Reserve		-	-	-	1,039	-	-	-	1,039
Total comprehensive income (loss) attributable to the Australian Government		(13,674)	10,366	-	1,039	-	-	(13,674)	11,405
Transactions With Owners									
Appropriation (equity injection)		-	-	-	-	3,694	5,174	3,694	5,174
Departmental capital budget		-	-	-	-	10,875	-	10,875	-
Restructuring	9	-	-	-	-	-	52,001	-	52,001
Total transactions with owners		-	-	-	-	14,569	57,175	14,569	57,175
Closing Balance Attributable to the Australian Government		(3,308)	10,366	1,039	1,039	71,744	57,175	69,475	68,580

The above statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Sales of goods and rendering of services		1,287	22,150
Appropriations		138,750	118,159
Net GST received		6,928	4,348
Other		391	174
Total cash received		147,356	144,831
Cash used			
Employees		79,566	68,425
Suppliers		64,493	61,885
Section 31 receipts transferred to OPA		2,656	13,199
Total cash used		146,715	143,509
Net Cash From Operating Activities	10	641	1,322
INVESTING ACTIVITIES			
Cash used			
Purchase of non-financial assets		7,533	1,688
Total cash used		7,533	1,688
Net Cash Used By Investing Activities		(7,533)	(1,688)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		7,533	1,688
Total cash received		7,533	1,688
Net Cash From Financing Activities		7,533	1,688
Net Increase in Cash Held		641	1,322
Cash at the beginning of the reporting period		1,331	9
Cash and Cash Equivalents at the End of the Reporting Period	5A	1,972	1,331

The above statement should be read in conjunction with the accompanying notes.

SCHEDULE OF COMMITMENTS*as at 30 June 2011*

	2011	2010
BY TYPE	\$'000	\$'000
Commitments receivable		
Sublease rental income	(1,102)	(12)
Net GST recoverable on commitments	(7,074)	(7,070)
Total commitments receivable	(8,176)	(7,082)
Commitments payable		
Operating leases	66,553	77,788
Other commitments	12,359	-
Total commitments payable	78,912	77,788
Net Commitments by Type	70,736	70,706
BY MATURITY		
Commitments receivable		
Sublease rental income		
One year or less	(167)	(12)
From one to five years	(734)	-
Over five years	(201)	-
Total sublease rental income	(1,102)	(12)
Net GST recoverable on commitments		
One year or less	(2,451)	(1,384)
From one to five years	(4,419)	(4,728)
Over five years	(204)	(958)
Total net GST recoverable on commitments	(7,074)	(7,070)
Commitments payable		
Operating leases		
One year or less	14,797	15,238
From one to five years	49,312	52,015
Over five years	2,444	10,535
Total operating leases	66,553	77,788
Other commitments		
One year or less	12,330	-
From one to five years	29	-
Total other commitments	12,359	-
Net Commitments by Maturity	70,736	70,706

Note - Commitments are GST inclusive where relevant.

Major categories of commitments as at the reporting date are described below:

Leases for Office Accommodation

Office accommodation leases are for varying periods up to ten years. Lease payments are subject to increases as specified in the leases. These increases are a combination of fixed annual adjustments and periodic movements to reflect market rates.

Motor Vehicles

A fleet of motor vehicles is leased which includes vehicles used by staff in performing their day to day activities as well as vehicles provided for private use by senior executives. Motor vehicle leases are generally for a period of two years.

Other Commitments

Other commitments relate to contracts for goods and services in respect of which the contracted party has yet to provide the goods and services required under the contract.

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ASSET ADDITIONS
for the period ended 30 June 2011

The following non-financial assets were added in 2010-11:

	Land and Buildings (Leasehold Improvements) \$'000	Property, Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation equity	2,765	1,796	2,972	7,533
From acquisition of entities or operations (including restructuring)	-	-	-	-
Total Additions - 2010-11	2,765	1,796	2,972	7,533

The following non-financial assets were added in 2009-10:

	Land and Buildings (Leasehold Improvements) \$'000	Property, Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation equity	575	56	433	1,064
From acquisition of entities or operations (including restructuring)	33,350	1,322	6,581	41,253
Total Additions - 2009-10	33,925	1,378	7,014	42,317

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$ (*)	2010 \$ (*)
Income Administered on Behalf of Government			
<i>for the period ended 30 June 2011</i>			
Revenue			
Fees and fines	15A	1,830,514	1,772,069
Interest	15B	753	25,690
Total Income Administered on Behalf of Government		<u>1,831,267</u>	<u>1,797,759</u>
Expenses Administered on Behalf of Government			
<i>for the period ended 30 June 2011</i>			
Grants	16A	1,768,000	-
Write-down and impairment of assets	16B	1,078,723	1,721,995
Total Expenses Administered on Behalf of Government		<u>2,846,723</u>	<u>1,721,995</u>
Assets Administered on Behalf of Government			
<i>as at 30 June 2011</i>			
Financial Assets			
Receivables	17	864,165	722,535
Other financial assets	17	4,100	18,228
Total Assets Administered on Behalf of Government		<u>868,265</u>	<u>740,763</u>
Administered Cash Flows			
<i>for the period ended 30 June 2011</i>			
Operating Activities			
Cash received			
Fees and fines		624,289	751,158
Interest		753	11,421
Total cash received		<u>625,042</u>	<u>762,579</u>
Cash used			
Grant payments		1,768,000	-
Total cash used		<u>1,768,000</u>	<u>-</u>
Net Cash From (or Used by) Operating Activities		<u>(1,142,958)</u>	<u>762,579</u>
Net Increase (or Decrease) in Cash Held		<u>(1,142,958)</u>	<u>762,579</u>
Cash from Official Public Account		1,768,000	-
Cash to Official Public Account		(625,042)	(762,579)
Cash at the beginning of the reporting period		<u>-</u>	<u>-</u>
Cash and Cash Equivalents at the End of the Reporting Period		<u>-</u>	<u>-</u>
This schedule should be read in conjunction with the accompanying notes.			
(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.			

SCHEDULE OF ADMINISTERED ITEMS
Administered Commitments <i>as at 30 June 2011</i> As at 30 June 2011 there were no administered commitments relating to the Fair Work Ombudsman.
Administered Contingencies <i>as at 30 June 2011</i> As at 30 June 2011 there were a number of actions being pursued through the courts, but at this stage the value of penalties that may be imposed by the courts against companies / individuals is not quantifiable.

Notes to and forming part of the Financial Statements

- Note 1: Summary of Significant Accounting Policies
- Note 2: Events After the Reporting Date
- Note 3: Expenses
- Note 4: Income
- Note 5: Financial Assets
- Note 6: Non-Financial Assets
- Note 7: Payables
- Note 8: Provisions
- Note 9: Restructuring
- Note 10: Cash Flow Reconciliation
- Note 11: Contingent Liabilities and Assets
- Note 12: Senior Executive Remuneration
- Note 13: Remuneration of Auditors
- Note 14: Financial Instruments
- Note 15: Income Administered on Behalf of Government
- Note 16: Expenses Administered on Behalf of Government
- Note 17: Assets Administered on Behalf of Government
- Note 18: Administered Reconciliation Table
- Note 19: Administered Financial Instruments
- Note 20: Appropriations
- Note 21: Special Accounts
- Note 22: Compensation and Debt Relief
- Note 23: Assets Held in Trust
- Note 24: Reporting of Outcomes
- Note 25: Comprehensive Income (Loss) Attributable to the Agency

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Fair Work Ombudsman

The Fair Work Ombudsman (the Agency) is an independent statutory office created by the *Fair Work Act 2009* and commenced operations on 1 July 2009.

The Agency's functions include promoting harmonious, productive and cooperative workplace relations and ensuring compliance with Commonwealth workplace laws.

The Agency is structured to meet one outcome:

Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and, where necessary, enforcement.

The Agency's activities are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Agency in its own right. Administered activities involve the management or oversight by the Agency, on behalf of the Australian Government (Government), of items controlled or incurred by the Government.

Departmental activities are identified under one output group - Output Group 1 - Education services and compliance activities.

1.2 Basis of Preparation of the Financial Report

The financial statements and notes are required by section 49 of Schedule 1 to the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report (the financial report).

The financial report has been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accruals basis and is in accordance with the historical cost convention, except for certain assets which are reported at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Australian Accounting Standard or Interpretation, or by the FMOs, assets and liabilities are recognised in the Balance Sheet when, and only when, it is probable that future economic benefits will flow to the Agency or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Australian Accounting Standard or Interpretation. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 11).

Unless an alternative treatment is specifically required by an Australian Accounting Standard or Interpretation, incomes and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items (and related notes) are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.23.

1.3 Significant Accounting Judgements and Estimates

No accounting judgements or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard in the current reporting period. Of the new standards, amendments to standards and interpretations issued by the AASB that are applicable to the current reporting period none have had a material financial impact on the Agency.

Future Australian Accounting Standard requirements

Of the new standards, amendments to standards and interpretations issued by the AASB that are applicable to future reporting periods, none are expected to have a material financial impact on the Agency.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Parental Leave Payments Scheme

The Agency offsets amounts received under the Parental Leave Payments Scheme (for payments to employees) by amounts paid to employees under that scheme, as these transactions are only incidental to the main revenue generating activities of the Agency.

Other types of revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the revenue and transaction costs incurred can be reliably measured;
- the seller retains no managerial involvement nor effective control over the goods; and
- it is probable that the economic benefits associated with the transaction will flow to the Agency.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. Revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Agency.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the reporting date. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 - Financial Instruments: Recognition and Measurement.

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. The use of these resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Sale of assets

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as equity injections for a year (less any formal reductions) and departmental capital budgets are recognised directly in Contributed Equity in that year.

Restructuring of administrative arrangements

Net assets received from, or relinquished to, another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against Contributed Equity.

1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119 - Employee Benefits) and termination benefits due within 12 months of the reporting date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Agency's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation using the shorthand method prescribed in the FMOs.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Agency recognises a provision for termination benefits when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Agency are members of either the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other schemes.

The CSS and PSS are defined benefit schemes. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Government and is settled in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Agency makes employer contributions to the defined benefit schemes at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Agency's employees. The Agency accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2011 represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the leased property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts (including a bank account held by an outsider) with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

1.13 Impairment of Financial Assets

Financial assets are assessed for impairment at each reporting date.

If there is objective evidence that an impairment loss has been incurred for financial assets held at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced by way of an impairment allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.14 Liabilities - Suppliers and Other Payables

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.15 Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

1.16 Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when the likelihood of settlement is greater than remote.

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of the restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.18 Land and Buildings (Leasehold Improvements), Property, Plant and Equipment

Asset recognition threshold

Purchases are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to make-good provisions in property leases taken up by the Agency, where there exists an obligation to restore the property to its original condition at the end of the lease term. These costs are included in the value of the Agency's land and buildings (leasehold improvements) assets with a corresponding provision for the restoration also being recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Land and Buildings (Leasehold Improvements)	Depreciated replacement cost
Property, Plant and Equipment	Market selling price

Following initial recognition at cost, assets are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on an asset class basis. Any revaluation increment is credited to equity under the heading of Asset Revaluation Reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus or deficit. Revaluation decrements for a class of asset are recognised directly through the surplus / deficit except to the extent that they reverse a previous revaluation increment for that class of asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable assets are written-off to their estimated residual values over their forecast useful lives to the Agency using, in all cases, the straight-line method of depreciation. Land and buildings (leasehold improvements) are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements and the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following forecast useful lives:

Land and buildings (leasehold improvements)	Lesser of lease term and useful life
Property, plant and equipment	5 years
Computer equipment	3 - 8 years

The aggregate amount of depreciation allocated for each class of asset during the financial year is disclosed in Note 3C.

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Agency was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

As at 30 June 2011, no indications of impairment were found for any assets.

1.19 Intangibles

The Agency's intangible assets comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its forecast useful life. The forecast useful life of the Agency's software is 3 years.

All software assets were assessed for indications of impairment as at 30 June 2011.

1.20 Taxation

The Agency is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.21 Insurance

The Agency has insured for risks through the Government's insurable risk managed fund, Comcover. Workers' compensation is insured through Comcare.

Monies were received by the Agency from Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1998*. These receipts were reimbursements to the Agency where the Agency had made payments against accrued sick leave entitlements pending determination of an employee's claim.

1.22 Prior Year Accounting Errors

The Agency's accounting policy for revaluing non-financial assets requires any previously held accumulated depreciation for assets revalued to be eliminated and for the gross carrying value of the asset to be restated at the revalued amount. This treatment is in accordance with AASB 116.35(b). When the Agency revalued its Land and Buildings (Leasehold Improvements) in May 2010, the Agency inadvertently used an alternative approach, in which the gross carrying value and the accumulated depreciation of the assets were proportionally restated, which when netted against one another resulted in the current revalued amount being reported. As the gross value and the accumulated depreciation of the revalued assets were equally overstated by \$5.773 million, the net impact on the Agency's Balance Sheet and associated notes was nil.

One Land and Buildings (Leasehold Improvements) asset was transferred to the Agency from the former Workplace Authority with a nil value in July 2009, as it was impaired due to not being in use. This asset was subsequently included in the Agency's revaluation of its Land and Buildings (Leasehold Improvements) assets in May 2010. An error was then made as this asset should have been reported as being fully impaired due to it continuing to remain unoccupied. The effect of this error is that the carrying value of Land and Buildings (Leasehold Improvements) was overstated by \$1.087 million in the Agency's Balance Sheet and associated notes as at 30 June 2010. Using AASB 1031.15(b) as a reference, as this amount equates to less than five per cent of the correct value of the aggregate value of the Agency's Land and Buildings (Leasehold Improvements) asset base, and as there is no evidence that this error adversely affected decisions made based on the Agency's 2009-10 financial report, this error is not considered to be a material error.

1.23 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items.

Administered cash transfers to and from the Official Public Account

Revenue collected by the Agency for use by the Government, rather than the Agency, is administered revenue. Collections are transferred to the Official Public Account (OPA), which is maintained by the Department of Finance and Deregulation. These transfers to the OPA are adjustments to the administered cash held by the Agency on behalf of the Government and are reported as such in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 18. The Schedule of Administered Items largely reflects the Government's transactions, through the Agency, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Agency on behalf of the Government.

Revenue comprises court-awarded penalties relating to breaches of either the *Workplace Relations Act 1996* or the *Fair Work Act 2009*. This revenue is recognised at the nominal amount due less any impairment allowance. The collectability of debts is reviewed at each reporting date. Impairment allowances are made when some doubt exists as to the collectability of the debt.

Receivables

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, de-recognition and amortisation are recognised through the operating result. Administered receivables represents debts owed to the Agency by employers, workers and organisations as a result of court-awarded penalties.

Grants and Subsidies

The Agency administered a grant scheme on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been completed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied as at the reporting date.

Note 2: Events After the Reporting Date

No significant events have occurred after the reporting date that are likely to affect either the ongoing structure or financial activities of the Agency.

Note 3: Expenses

	2011 \$'000	2010 \$'000
<u>Note 3A: Employee Benefits</u>		
Wages and salaries	57,683	53,814
Superannuation:		
Defined contribution plans	4,881	4,480
Defined benefit plans	5,787	5,888
Leave and other entitlements	10,600	10,093
Separation and redundancies	1,020	(692)
Other employee expenses	990	985
Total Employee Benefits	80,961	74,568

Note 3B: Suppliers**Goods and services**

Contractors	22,788	20,243
Legal fees	2,839	4,591
Property outgoing	3,250	4,473
Telecommunications	3,543	3,501
Other	13,351	15,379
Total goods and services	45,771	48,187

Goods and services are made up of:

Provision of goods – external entities	1,836	1,809
Rendering of services – related entities	9,564	12,706
Rendering of services – external entities	34,371	33,672
Total goods and services	45,771	48,187

Other supplier expenses

Operating lease rentals - external entities:

Minimum lease payments	13,121	18,824
Workers compensation premiums	344	500
Total other supplier expenses	13,465	19,324
Total Suppliers	59,236	67,511

Note 3C: Grants

Private sector	709	-
Total Grants	709	-

Note 3D: Depreciation and Amortisation

Depreciation:

Land and buildings (leasehold improvements)	6,778	9,082
Property, plant and equipment	436	792
Total depreciation	7,214	9,874

Amortisation:

Intangibles - computer software	2,397	2,600
Total amortisation	2,397	2,600
Total Depreciation and Amortisation	9,611	12,474

Note 3E: Losses from Asset Sales

Property, plant and equipment:

Carrying value of assets sold	98	83
Total Losses from Asset Sales	98	83

Note 4: Income

	2011 \$'000	2010 \$'000
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Note 4A: Sale of Goods and Rendering of Services

Rendering of services – related entities	-	20,104
Total Sale of Goods and Rendering of Services	-	20,104

Note 4B: Rental Income

Operating lease rentals	1,147	17
Total Rental Income	1,147	17

Note 4C: Other Gains

Resources received free of charge - audit fees	62	62
Other	391	174
Total Other Gains	453	236

Note 4D: Revenue from Government

Appropriations:		
Departmental outputs	135,341	144,645
Total Revenue from Government	135,341	144,645

Note 5: Financial Assets

	2011 \$'000	2010 \$'000
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	375	1,215
Cash held by outsiders	1,597	116
Total Cash and Cash Equivalents	1,972	1,331

Note 5B: Trade and Other Receivables

Goods and services - related entities	14	35
Appropriations receivable for existing programs	79,974	76,347
GST receivable from the Australian Taxation Office	939	887
Other receivables	84	50
Total trade and other receivables (gross)	81,011	77,319
Less: Impairment allowance account - other	-	(8)
Total Trade and Other Receivables (Net)	81,011	77,311

Trade and other receivables are expected to be recovered in:

No more than 12 months	81,011	77,311
Total Trade and Other Receivables (Net)	81,011	77,311

Trade and other receivables are aged as follows:

Not overdue	80,992	77,300
Overdue by:		
0 to 30 days	7	10
31 to 60 days	7	-
61 to 90 days	-	-
More than 90 days	5	9
Total trade and other receivables (gross)	81,011	77,319

The impairment allowance account is aged as follows:

Overdue by:		
More than 90 days	-	8
Total impairment allowance account	-	8

Reconciliation of the Impairment Allowance Account**Movements in relation to 2011**

	Other Receivables \$'000	Total \$'000
Opening balance - 1 July 2010	8	8
Impairment balance received from restructuring	-	-
Amounts written off	(14)	(14)
Amounts recovered and reversed	-	-
Increase / decrease recognised in net surplus	6	6
Closing balance - 30 June 2011	-	-

Movements in relation to 2010

	Other Receivables \$'000	Total \$'000
Opening balance - 1 July 2009	-	-
Impairment balance received from restructuring	13	13
Amounts written off	(4)	(4)
Amounts recovered and reversed	(3)	(3)
Increase / decrease recognised in net surplus	2	2
Closing balance - 30 June 2010	8	8

Note 6: Non-Financial Assets

	2011	2010
	\$'000	\$'000
<u>Note 6A: Land and Buildings (Leasehold Improvements)</u>		
Work in progress	1,446	274
Fair value	30,510	28,917
Accumulated depreciation	(10,087)	(3,309)
Total Land and Buildings (Leasehold Improvements)	21,869	25,882

No indicators of impairment were found for land and buildings (leasehold improvements).

No land or buildings (leasehold improvements) are expected to be sold or disposed of within the next 12 months.

Note 6B: Property, Plant and Equipment

Work in progress	162	-
Fair value	2,061	1,295
Accumulated depreciation	(458)	(792)
Total Property, Plant and Equipment	1,765	503

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

Note 6C: Reconciliation of Opening and Closing Balances of Land and Buildings (Leasehold Improvements) and Property, Plant and Equipment

2010-11	Land and Buildings (Leasehold Improvements) \$'000	Property, Plant and Equipment \$'000	Total \$'000
As at 1 July 2010			
Gross book value	29,191	1,295	30,486
Accumulated depreciation	(3,309)	(792)	(4,101)
Net book value - 1 July 2010	25,882	503	26,385
Additions:			
By purchase	2,765	1,796	4,561
From acquisition of entities or operations (including restructuring)	-	-	-
Revaluations and impairments through equity	-	-	-
Depreciation	(6,778)	(436)	(7,214)
Disposal of assets	-	(98)	(98)
Net Book Value - 30 June 2011	21,869	1,765	23,634
Net Book Value as at 30 June 2011 Represented by:			
Gross book value	31,956	2,223	34,179
Accumulated depreciation	(10,087)	(458)	(10,545)
	21,869	1,765	23,634
2009-10	Land and Buildings (Leasehold Improvements) \$'000	Property, Plant and Equipment \$'000	Total \$'000
As at 1 July 2009			
Gross book value	-	-	-
Accumulated depreciation	-	-	-
Net book value - 1 July 2009	-	-	-
Additions:			
By purchase	575	56	631
From acquisition of entities or operations (including restructuring)	33,350	1,322	34,672
Revaluations and impairments through equity	1,039	-	1,039
Depreciation	(9,082)	(792)	(9,874)
Disposal of assets	-	(83)	(83)
Net Book Value - 30 June 2010	25,882	503	26,385
Net Book Value as at 30 June 2010 Represented by:			
Gross book value	29,191	1,295	30,486
Accumulated depreciation	(3,309)	(792)	(4,101)
	25,882	503	26,385

	2011	2010
	\$'000	\$'000
<u>Note 6D: Intangibles</u>		
Computer software at cost:		
Internally developed – in progress	1,145	433
Internally developed – in use	8,819	6,559
Purchased – in use	22	22
Accumulated amortisation	(4,997)	(2,600)
Total Intangibles	<u>4,989</u>	<u>4,414</u>

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6E: Reconciliation of Opening and Closing Balances of Intangibles**2010-11**

	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	Total \$'000
As at 1 July 2010			
Gross book value	6,992	22	7,014
Accumulated amortisation	(2,583)	(17)	(2,600)
Net book value - 1 July 2010	4,409	5	4,414
Additions:			
By purchase or internally developed	2,972	-	2,972
From acquisition of entities or operations (including restructuring)	-	-	-
Amortisation	(2,394)	(3)	(2,397)
Net Book Value - 30 June 2011	4,987	2	4,989
Net Book Value as at 30 June 2011 Represented by:			
Gross book value	9,964	22	9,986
Accumulated amortisation	(4,977)	(20)	(4,997)
	4,987	2	4,989

2009-10

	Computer Software Internally Developed \$'000	Computer Software Purchased \$'000	Total \$'000
As at 1 July 2009			
Gross book value	-	-	-
Accumulated amortisation	-	-	-
Net book value - 1 July 2009	-	-	-
Additions:			
By purchase or internally developed	433	-	433
From acquisition of entities or operations (including restructuring)	6,559	22	6,581
Amortisation	(2,583)	(17)	(2,600)
Net Book Value - 30 June 2010	4,409	5	4,414
Net Book Value as at 30 June 2010 Represented by:			
Gross book value	6,992	22	7,014
Accumulated amortisation	(2,583)	(17)	(2,600)
	4,409	5	4,414

	2011	2010
	\$'000	\$'000
<u>Note 6F: Other Non-Financial Assets</u>		
Prepayments	<u>143</u>	<u>1,346</u>
Total Other Non-Financial Assets	<u>143</u>	<u>1,346</u>

No indicators of impairment were found for other non-financial assets.

Other non-financial assets are expected to be recovered in no more than 12 months.

Note 7: Payables

	2011 \$'000	2010 \$'000
<u>Note 7A: Suppliers</u>		
Trade creditors	8,067	7,639
Operating lease rentals	4,541	4,514
Total Suppliers	12,608	12,153
Suppliers expected to be settled within 12 months:		
Related entities	1,139	1,662
External parties	7,199	5,966
Total	8,338	7,628
Suppliers expected to be settled in greater than 12 months:		
External parties	4,270	4,525
Total	4,270	4,525
Total Suppliers	12,608	12,153

Settlement is usually made net 30 days.

Note 7B: Other Payables

Salaries and wages	1,791	1,468
Separations and redundancies	49	28
Lease incentives	4,769	5,780
Total Other Payables	6,609	7,276
Other payables are expected to be settled in:		
No more than 12 months	2,870	2,522
More than 12 months	3,739	4,754
Total Other Payables	6,609	7,276

Note 8: Provisions

	2011	2010
	\$'000	\$'000

Note 8A: Employee Provisions

Leave	15,080	13,329
Other	62	733
Total Employee Provisions	15,142	14,062

Employee provisions are expected to be settled in:

No more than 12 months	11,244	10,995
More than 12 months	3,898	3,067
Total Employee Provisions	15,142	14,062

Note 8B: Other Provisions

Restoration obligations	292	292
Onerous leases	7,623	8,424
Total Other Provisions	7,915	8,716

Other provisions are expected to be settled in:

No more than 12 months	4,379	5,496
More than 12 months	3,536	3,220
Total Other Provisions	7,915	8,716

Analysis of Other Provisions

	Restoration Obligations \$'000	Onerous Leases \$'000	Total \$'000
Carrying amount - 1 July 2010	292	8,424	8,716
Additional provisions made	-	4,695	4,695
Amounts used	-	(5,496)	(5,496)
Closing Balance Other Provisions - 30 June 2011	292	7,623	7,915

The Agency currently has one agreement for the leasing of premises which has a provision requiring the Agency to restore the premises to its original condition at the conclusion of the lease. The Agency has made a provision to reflect the present value of this obligation.

The Agency has a number of agreements for the leasing of office accommodation which are surplus to its requirements. The Agency has made a provision to reflect the present value of the expected costs to be incurred that are in excess of the economic benefit expected to be derived from these leases.

Note 9: Restructuring**Note 9A: Departmental Restructuring**

1 July 2009 was the first day of operation of the Agency. On 1 July 2009, the Agency assumed the functions of the former Workplace Ombudsman and the general advisory functions of the former Workplace Authority. The net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer were:

	\$'000
From the former Workplace Ombudsman:	
Net assets received	
Cash and cash equivalents	9
Trade and other receivables	5,904
Other financial assets	16
Land and buildings (leasehold improvements)	20,052
Property, plant and equipment	725
Intangibles	506
Other non-financial assets	1,293
Total net assets received	28,505
Net liabilities received	
Suppliers	4,026
Other payables	4,340
Employee provisions	6,120
Total net liabilities received	14,486
Net assets assumed	14,019
From the former Workplace Authority:	
Net assets received	
Trade and other receivables	41,666
Land and buildings (leasehold improvements)	13,298
Property, plant and equipment	597
Intangibles	6,075
Other non-financial assets	935
Total net assets received	62,571
Net liabilities received	
Suppliers	7,271
Other payables	7,862
Employee provisions	6,046
Other provisions	3,410
Total net liabilities received	24,589
Net assets assumed	37,982
Total Net Assets Assumed	52,001

Note 9B: Administered Restructuring

On 1 July 2009, the Agency assumed responsibility for the administered functions of the former Workplace Ombudsman. The net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer were:

	\$ (*)
From the former Workplace Ombudsman:	
Net assets received	
Receivables	1,365,485
Other financial assets	62,093
Total net assets received	1,427,578
Total liabilities received	-
Net Assets Assumed	1,427,578

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 10: Cash Flow Reconciliation

	2011 \$'000	2010 \$'000
Reconciliation of Cash and Cash Equivalents as per Balance Sheet to Cash Flow Statement		
Reported Cash and Cash Equivalents as per:		
Cash Flow Statement	1,972	1,331
Balance Sheet	1,972	1,331
Difference	<u>-</u>	<u>-</u>
Reconciliation of Net Cost of Services to Net Cash from Operating Activities:		
Net cost of services	(149,015)	(134,279)
Revenue from Government	135,341	144,645
Adjustments for non-cash items		
Depreciation and amortisation	9,611	12,474
Losses from asset sales	98	83
Changes in assets / liabilities		
Decrease (increase) in trade and other receivables	3,336	(26,238)
Increase in other non-financial assets	1,203	882
Increase in employee provisions	1,080	1,873
Increase (decrease) in other provisions	(801)	5,929
Increase in suppliers	455	908
(Decrease) in other payables	(667)	(4,955)
Net Cash From Operating Activities	<u>641</u>	<u>1,322</u>

Note 11: Contingent Liabilities and Assets

Unquantifiable Departmental Contingent Liabilities

The Agency has provided an indemnity to the Reserve Bank of Australia (the Bank) against any loss or damage arising from any error, mistake, fraud or negligence resulting from the Bank acting in good faith on instructions given to it by the Agency and / or due to any failure by the Agency to observe any of its obligations in respect to its banking arrangements.

The likelihood of any payment being required under the indemnity is remote and unquantifiable.

Unquantifiable Administered Contingent Assets

The Agency is currently involved in litigation against 63 entities and while the probability of success is high in these matters, it is not possible to accurately estimate the value of any penalties that may be imposed by the courts.

Note 12: Senior Executive Remuneration

	2011	2010
	\$	\$
<u>Note 12A: Senior Executive Remuneration Expense for the Reporting Period</u>		
Short-term employee benefits:		
Salary	2,895,531	2,330,839
Annual leave accrued	236,443	249,113
Performance bonuses	39,961	273,185
Non-monetary benefits	134,728	301,801
Total short-term employee benefits	3,306,663	3,154,938
Post-employment benefits:		
Superannuation	474,260	409,962
Total post-employment benefits	474,260	409,962
Other long-term benefits:		
Long-service leave	182,309	153,803
Total other long-term benefits	182,309	153,803
Total	3,963,232	3,718,703

Notes:

- Note 12A is prepared on an accrual basis (so the performance bonuses disclosed above differ from the cash bonus paid in Note 12B).
- Note 12A excludes acting arrangements and part-year service where remuneration was less than \$150,000.

Note 12B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

Fixed Elements and Bonus Paid ¹	Senior Executives No.	as at 30 June 2011 Fixed Elements			Total \$	Bonus Paid ² \$	Senior Executives No.	as at 30 June 2010 Fixed Elements			Total \$	Bonus Paid ² \$
		Salary \$	Allowances \$	Total \$				Salary \$	Allowances \$	Total \$		
Total remuneration (including part-time arrangements):												
\$150,000 to \$179,999		-	-	-	-	-	-	1	126,303	31,120	157,423	14,209
\$180,000 to \$209,999	5	168,875	31,120	199,995	6,392	7	170,117	24,580	194,697	17,222	17,222	
\$210,000 to \$239,999	5	186,204	31,120	217,324	-	5	200,486	25,638	226,124	22,783	22,783	
\$240,000 to \$269,999	3	216,068	32,453	248,521	-	-	-	-	-	-	-	
\$270,000 to \$299,999		-	-	-	-	-	1	238,360	55,091	293,451	24,510	
\$300,000 to \$329,999	1	248,140	53,546	301,686	-	-	-	-	-	-	-	
Total	14						14					

Notes:

1. This table reports on substantive senior executives who were employed by the Agency as at the end of the reporting period. Fixed elements are based on the employment agreement for each individual - each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (the Total column).

2. Represents average actual bonuses paid during the reporting period. The bonus paid is excluded from the total calculation for the purpose of determining remuneration package bands. The bonus paid within a particular band may vary between financial years due to factors such as individuals commencing with, or leaving, the Agency during the financial year.

Variable Elements:

With the exception of performance bonuses, variable elements (leave entitlements, superannuation, etc) are not included in the Fixed Elements and Bonus Paid table above. The following variable elements are available as part of senior executives' remuneration packages:

(a) Performance bonuses:

No employment contracts as at 30 June 2011 include provisions for performance bonuses. Bonus payments were made at the expiration of old contracts.

(b) On average, senior executives are entitled to the following leave provisions:

Four weeks of paid annual leave per annum;

Three months of paid long service leave upon completion of 10 years continuous service, accruing pro rata thereafter;

18 days of personal leave which can be used for illness or caring responsibilities;

14 weeks of paid parental leave upon birth or adoption of a child.

(c) Senior executives are members of one of the following superannuation funds:

Commonwealth Superannuation Scheme

Public Sector Superannuation Scheme

AustralianSuper

(d) Variable allowances:

Senior executives are entitled to choose between a vehicle or a fixed cash amount (in lieu), as well as having the choice between a car park at their place of work or a fixed cash amount (in lieu). For transparency, the above table has been prepared using the fixed amounts. However, if the non-monetary benefits were chosen, the actual value provided to the senior executive could vary depending on their usage.

Note 12C: Other Highly Paid Staff

During the current reporting period, there were eight employees (2010: nil) whose salary plus performance bonus totalled \$150,000 or more. Except for one of these officers, none of these employees performed a role as a senior executive and are therefore not disclosed as senior executives in Note 12A and Note 12B. One of the eight employees acted in a senior executive role on a temporary basis for a portion of the current reporting period.

Note 13: Remuneration of Auditors

	2011	2010
	\$	\$

Financial statement audit services were provided free of charge to the Agency.

The fair value of the services provided was:

Audit	<u>62,000</u>	<u>62,000</u>
Total	<u>62,000</u>	<u>62,000</u>

The Auditor-General provided no other services.

Note 14: Financial Instruments**Note 14A: Categories of Financial Instruments**

Financial Assets		
Cash and cash equivalents	2011 \$'000	2010 \$'000
Loans and receivables:		
Goods and services receivables	1,972	1,331
Other receivables	14	35
	84	50
Carrying Amount of Financial Assets	<u>2,070</u>	<u>1,416</u>
Financial Liabilities		
Suppliers	12,608	12,153
Carrying Amount of Financial Liabilities	<u>12,608</u>	<u>12,153</u>

The Agency has no net income or expenses from financial instruments.

Note 14B: Fair Value of Financial Instruments

The carrying amount of all financial assets and liabilities as at 30 June 2011 approximates their fair value.

	Carrying Amount 2011 \$'000	Fair Value 2011 \$'000	Carrying Amount 2010 \$'000	Fair Value 2010 \$'000
Financial Assets				
Cash and cash equivalents	1,972	1,972	1,331	1,331
Goods and services receivables	14	14	35	35
Other receivables	84	84	50	50
Total	<u>2,070</u>	<u>2,070</u>	<u>1,416</u>	<u>1,416</u>
Financial Liabilities				
Suppliers	12,608	12,608	12,153	12,153
Total	<u>12,608</u>	<u>12,608</u>	<u>12,153</u>	<u>12,153</u>

The carrying value of the Agency's financial instruments equals their fair value as at the reporting date. Cash and cash equivalents held by the Agency are classified as level 1 assets (as defined in AASB 7.27A) being valued at quoted prices in an active market. All other financial instruments held by the Agency are classified as level 2 assets or liabilities being valued at observable prices. There have been no movements in the financial instruments hierarchy between years.

Note 14C: Credit Risk

The maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets. The exposure is minimal as loans and receivables are predominantly cash and the recovery of entitlements for staff who have transferred to the Agency from other Government agencies.

The maximum exposure to credit risk is the risk that arises from the potential default of a debtor. This amount is equal to the total amount of receivables and other financial assets. The Agency has assessed the risk of default on payment and has determined there is no allowance for impairment required in 2010-11.

The Agency manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Agency has policies and procedures in place that guide employees through debt recovery techniques that are to be applied.

The Agency has no significant exposures to any concentrations of credit risk and holds no collateral to mitigate against credit risk.

The following table illustrates the Agency's gross exposure to credit risk.

	2011 \$'000	2010 \$'000
Financial Assets		
Cash and cash equivalents	1,972	1,331
Goods and services receivables	14	35
Other receivables	84	50
Total	2,070	1,416

Credit quality of financial instruments for 2011:

	Not Past Due Nor Impaired 2011 \$'000	Past Due But Not Impaired 2011 \$'000	Past Due and Impaired 2011 \$'000	Total 2011 \$'000
Financial Assets				
Cash and cash equivalents	1,972	-	-	1,972
Goods and services receivables	-	14	-	14
Other receivables	79	5	-	84
Total	2,051	19	-	2,070

Credit quality of financial instruments for 2010:

	Not Past Due Nor Impaired 2010 \$'000	Past Due But Not Impaired 2010 \$'000	Past Due and Impaired 2010 \$'000	Total 2010 \$'000
Financial Assets				
Cash and cash equivalents	1,331	-	-	1,331
Goods and services receivables	35	-	-	35
Other receivables	31	11	8	50
Total	1,397	11	8	1,416

Note 14C (Continued): Credit Risk**Ageing of financial assets that are past due but not impaired for 2011:**

	0 to 30 Days \$'000	31 to 60 Days \$'000	61 to 90 Days \$'000	90+ Days \$'000	Total \$'000
Financial Assets					
Goods and services receivables	7	7	-	-	14
Other receivables	-	-	-	5	5
Total	7	7	-	5	19

Ageing of financial assets that are past due but not impaired for 2010:

	0 to 30 Days \$'000	31 to 60 Days \$'000	61 to 90 Days \$'000	90+ Days \$'000	Total \$'000
Financial Assets					
Other receivables	10	-	-	1	11
Total	10	-	-	1	11

Note 14D: Liquidity Risk

The Agency's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the Agency will encounter difficulties in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and internal policies and procedures in place to ensure the Agency has access to appropriate resources to meet its financial obligations as and when they fall due.

Maturities for non-derivative financial liabilities - 2011

	On Demand 2011 \$'000	Within 1 Year 2011 \$'000	1 to 2 Years 2011 \$'000	2 to 5 Years 2011 \$'000	>5 Years 2011 \$'000	Total 2011 \$'000
Financial Liabilities						
Suppliers	8,067	271	649	3,283	338	12,608
Total	8,067	271	649	3,283	338	12,608

Maturities for non-derivative financial liabilities - 2010

	On Demand 2010 \$'000	Within 1 Year 2010 \$'000	1 to 2 Years 2010 \$'000	2 to 5 Years 2010 \$'000	>5 Years 2010 \$'000	Total 2010 \$'000
Financial Liabilities						
Suppliers	7,628	-	312	2,906	1,307	12,153
Total	7,628	-	312	2,906	1,307	12,153

Note 14E: Market Risk

The Agency holds basic financial instruments that do not expose it to currency, interest rate or other price risks.

Notes to the Schedule of Administered Items

Note 15: Income Administered on Behalf of Government

	2011 \$ (*)	2010 \$ (*)
<u>Note 15A: Fees and Fines</u>		
Court-awarded penalties	1,827,874	1,750,729
Infringement notices	2,640	21,340
Total Fees and Fines	1,830,514	1,772,069
<u>Note 15B: Interest</u>		
Penalty interest	753	25,690
Total Interest	753	25,690

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 16: Expenses Administered on Behalf of Government

	2011	2010
	\$ (*)	\$ (*)
<u>Note 16A: Grants</u>		
Private sector:		
Shared Industry Assistance Projects	<u>1,768,000</u>	<u>-</u>
Total Grants	<u><u>1,768,000</u></u>	<u><u>-</u></u>
<u>Note 16B: Write-Down and Impairment of Assets</u>		
Impairment of financial instruments	<u>1,078,723</u>	<u>1,721,995</u>
Total Write-Down and Impairment of Assets	<u><u>1,078,723</u></u>	<u><u>1,721,995</u></u>

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 17: Assets Administered on Behalf of Government

	2011 \$ (*)	2010 \$ (*)
<u>Financial Assets</u>		
<u>Receivables</u>		
Court-awarded penalties	<u>3,047,263</u>	<u>3,060,054</u>
Gross receivables	<u>3,047,263</u>	<u>3,060,054</u>
Less: Impairment allowance account - Court-awarded penalties	<u>(2,183,098)</u>	<u>(2,337,519)</u>
Net Receivables	<u>864,165</u>	<u>722,535</u>
Gross receivables are aged as follows:		
Not overdue	160,040	70,334
Overdue by:		
0 to 30 days	-	26,260
31 to 60 days	158,700	210,282
61 to 90 days	223,061	157,333
More than 90 days	<u>2,505,462</u>	<u>2,595,845</u>
Gross receivables	<u>3,047,263</u>	<u>3,060,054</u>
The impairment allowance account is aged as follows:		
Not overdue	(158,300)	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	(137,750)	-
61 to 90 days	(168,501)	-
More than 90 days	<u>(1,718,547)</u>	<u>(2,337,519)</u>
Total impairment allowance account	<u>(2,183,098)</u>	<u>(2,337,519)</u>
Receivables are with entities external to the Government.		
<u>Reconciliation of the impairment allowance account</u>		
Opening balance	(2,337,519)	-
Impairment allowance received from restructuring	-	(615,524)
Amounts written off	1,233,144	-
Increase recognised in net surplus	<u>(1,078,723)</u>	<u>(1,721,995)</u>
Closing balance	<u>(2,183,098)</u>	<u>(2,337,519)</u>
<u>Other Financial Assets</u>		
Accrued revenue	<u>4,100</u>	<u>18,228</u>
Total Other Financial Assets	<u>4,100</u>	<u>18,228</u>

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 18: Administered Reconciliation Table

	2011	2010
	\$ (*)	\$ (*)
Opening balance	740,763	-
Net administered assets received from restructuring (see Note 9B)	-	1,427,578
Administered income	1,831,267	1,797,759
Administered expenses	(2,846,723)	(1,721,995)
Appropriation transferred from the Official Public Account	1,768,000	-
Transfers to the Official Public Account	(625,042)	(762,579)
Net Administered Assets	868,265	740,763

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 19: Administered Financial Instruments

	2011	2010
	\$ (*)	\$ (*)
<u>Note 19A: Categories of Financial Instruments</u>		
Loans and receivables:		
Receivables	3,047,263	3,060,054
Accrued revenue	4,100	18,228
Carrying Amount of Financial Assets	<u>3,051,363</u>	<u>3,078,282</u>
<u>Note 19B: Net Income and Expense from Financial Assets</u>		
Loans and receivables:		
Impairment allowance - expense	(1,078,723)	(1,721,995)
Net Loss From Financial Assets	<u>(1,078,723)</u>	<u>(1,721,995)</u>

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 19C: Fair Value of Financial Instruments

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2011	2011	2010	2010
	\$ (*)	\$ (*)	\$ (*)	\$ (*)
Financial Assets				
Loans and receivables:				
Receivables	864,165	864,165	722,535	722,535
Accrued revenue	4,100	4,100	18,228	18,228
Total Financial Assets	868,265	868,265	740,763	740,763

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 19D: Credit Risk

The maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets.

The maximum exposure to credit risk is the risk that arises from the potential default of a debtor. This amount is equal to the total amount of receivables and other financial assets. The Agency has assessed the risk of default on payment and has allocated \$2,183,098 in 2010-11 to an allowance for impairment account.

The Agency is not in a position to manage its credit risk as the administered debtors are recognised following court proceedings and not through a trade relationship.

The Agency has no significant exposures to any concentrations of credit risk and holds no collateral to mitigate against credit risk.

The following table illustrates the Agency's gross exposure to credit risk.

	2011	2010
	\$ (*)	\$ (*)
Financial Assets		
Receivables	3,047,263	3,060,054
Accrued revenue	4,100	18,228
Total	3,051,363	3,078,282

Credit quality of financial instruments for 2011:

	Not Past Due Nor Impaired 2011 \$ (*)	Past Due But Not Impaired 2011 \$ (*)	Past Due and Impaired 2011 \$ (*)	Total 2011 \$ (*)
Financial Assets				
Receivables	1,740	862,425	2,183,098	3,047,263
Accrued revenue	4,100	-	-	4,100
Total	5,840	862,425	2,183,098	3,051,363

Credit quality of financial instruments for 2010:

	Not Past Due Nor Impaired 2010 \$ (*)	Past Due But Not Impaired 2010 \$ (*)	Past Due and Impaired 2010 \$ (*)	Total 2010 \$ (*)
Financial Assets				
Receivables	70,334	652,201	2,337,519	3,060,054
Accrued revenue	18,228	-	-	18,228
Total	88,562	652,201	2,337,519	3,078,282

Ageing of financial assets that are past due but not impaired for 2011:

	0 to 30 Days \$ (*)	31 to 60 Days \$ (*)	61 to 90 Days \$ (*)	90+ Days \$ (*)	Total \$ (*)
Financial Assets					
Receivables	-	20,950	54,560	786,915	862,425
Total	-	20,950	54,560	786,915	862,425

Ageing of financial assets that are past due but not impaired for 2010:

	0 to 30 Days \$ (*)	31 to 60 Days \$ (*)	61 to 90 Days \$ (*)	90+ Days \$ (*)	Total \$ (*)
Financial Assets					
Receivables	26,260	210,282	157,333	258,326	652,201
Total	26,260	210,282	157,333	258,326	652,201

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 19E: Market Risk

The Agency holds basic financial instruments that do not expose it to currency, interest rate or other price risks.

Note 20: Appropriations

Table A: Annual Appropriations

	2011 Appropriations							Appropriation Applied in 2011 (Current and Prior Years) \$'000	Variance \$'000
	Appropriation Act		FMA Act				Total Appropriation \$'000		
	Annual Appropriation \$'000	Appropriations Reduced \$'000	Advance to the Finance Minister \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
DEPARTMENTAL									
Ordinary annual services	156,224	-	-	-	1,865	-	158,089	139,659	18,430
Equity	3,694	-	-	-	-	-	3,694	7,533	(3,839)
Total departmental	159,918	-	-	-	1,865	-	161,783	147,192	14,591
ADMINISTERED									
Administered items	1,768	-	-	-	-	-	-	-	-
Total administered	1,768	-	-	-	-	-	1,768	1,768	-

	2010 Appropriations							Appropriation Applied in 2010 (Current and Prior Years) \$'000	Variance \$'000
	Appropriation Act		FMA Act				Total Appropriation \$'000		
	Annual Appropriation \$'000	Appropriations Reduced \$'000	Advance to the Finance Minister \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
DEPARTMENTAL	134,637	-	-	-	20,371	-	155,008	137,266	17,742
Ordinary annual services	5,174	-	-	-	-	-	5,174	1,688	3,486
Equity	139,811	-	-	-	20,371	-	160,182	138,954	21,228
Total departmental									
ADMINISTERED	-	-	-	-	-	-	-	-	-
Administered items	-	-	-	-	-	-	-	-	-
Total administered									

Table B: Unspent Departmental Annual Appropriations

Authority	2011 \$'000	2010 \$'000
Appropriation Act (No. 1) 2008-09	15,855	37,903
Appropriation Act (No. 2) 2008-09	-	3,423
Appropriation Act (No. 3) 2008-09	-	529
Appropriation Act (No. 1) 2009-10	16,182	26,485
Appropriation Act (No. 2) 2009-10	5,802	8,007
Appropriation Act (No. 1) 2010-11	38,441	-
Appropriation Act (No. 2) 2010-11	3,694	-
Total	79,974	76,347

Note 21: Special Accounts**Other Trust Monies Account**Legal Authority: *Financial Management and Accountability Act 1997; s20*Appropriation: *Financial Management and Accountability Act 1997; s20*

Purpose: For the receipt of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth and to repay amounts where an Act or other law requires or permits the repayment of an amount received.

This account is non-interest bearing.

Other Trust Monies Account - Financial Summary	2011	2010
	\$	\$
Opening balance	1,465,944	962,097
Receipts	340,072	766,116
Payments made	(145,783)	(262,269)
Closing Balance	1,660,233	1,465,944
Represented by:		
Cash - held in the Official Public Account	1,660,233	1,465,944

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 22: Compensation and Debt Relief

	2011	2010
	\$	\$
Departmental		
No Act of Grace expenses were incurred during the reporting period. (2010: No expenses)	-	-
No waivers of amounts owing to the Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2010: No waivers)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: No payments)	-	-
No ex-gratia payments were provided for during the reporting period. (2010: No payments)	-	-
One payment was provided in special circumstances relating to Australian Public Service employment pursuant to section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2010: No payments)	22,000	-
Administered		
No Act of Grace expenses were incurred during the reporting period. (2010: No expenses)	-	-
No waivers of amounts owing to the Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2010: No waivers)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: No payments)	-	-
No ex-gratia payments were provided for during the reporting period. (2010: No payments)	-	-
No payments were provided in special circumstances relating to Australian Public Service employment pursuant to section 73 of the <i>Public Service Act 1999</i> during the reporting period. (2010: No payments)	-	-

Note 23: Assets Held in Trust**Monetary assets**

For the receipt of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth and to repay amounts where an Act or other law requires or permits the repayment of an amount received.

	2011	2010
	\$ (*)	\$ (*)
Monetary Assets		
Total amount held at the beginning of the reporting period	1,465,944	962,097
Receipts	340,072	766,116
Payments	(145,783)	(262,269)
Total Amount Held at the End of the Reporting Period	<u>1,660,233</u>	<u>1,465,944</u>

The values above are at fair value.

(*) These amounts are rounded to the nearest dollar, as required by the Finance Minister's Orders.

Note 24: Reporting of Outcomes

The Agency delivers services under one Outcome. The financial information is recorded against this Outcome.

Note 24A: Net Cost of Outcome Delivery

	Outcome 1 & Total	Outcome 1 & Total
	2011	2010
	\$'000	\$'000
Expenses		
Administered	2,847	1,722
Departmental	150,615	154,636
Total expenses	153,462	156,358
Income from Government sector		
Administered	-	-
Departmental	-	20,104
Total	-	20,104
Other own-source income		
Administered	1,831	1,798
Departmental	1,600	253
Total	3,431	2,051
Net Cost of Outcome Delivery	150,031	134,203

Outcome 1 is described in Note 1.1. Net costs shown include intra-Government costs that are eliminated in calculating the actual Budget Outcome.

Note 24B: Major Classes of Departmental Expenses and Income by Outcome

The major classes of departmental expenses and income that contribute to the Agency's outcome are as shown in the Statement of Comprehensive Income.

Note 24C: Major Classes of Departmental Assets and Liabilities by Outcome

The major classes of departmental assets and liabilities that contribute to the Agency's outcome are as shown in the Balance Sheet.

Note 24D: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome

The major classes of administered expenses, income, assets and liabilities that contribute to the Agency's outcome are as shown in the Schedule of Administered Items.

Note 25: Comprehensive Income (Loss) Attributable to the Agency

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Appendices

Appendix A: Staffing profile

TABLE 16: EMPLOYEES BY CLASSIFICATION AND LOCATION AT 30 JUNE 2011

Classification	ACT	NSW	QLD	SA	VIC	WA	NT	TAS	Total
APS 1	0	0	0	0	0	0	0	0	0
APS 2	3	2	0	0	0	0	0	0	5
APS 3	2	64	35	5	66	16	0	0	188
APS 4	17	73	21	43	38	13	2	4	211
APS 5	16	69	37	17	76	14	2	3	234
APS 6	26	44	18	8	52	9	1	2	160
EL 1	19	33	5	8	27	5	0	2	99
EL 2	5	14	3	3	15	2	0	0	42
SES Band 1	2	5	0	1	2	1	0	0	11
SES Band 2	1	0	0	1	0	0	0	0	2
Total	91	304	119	86	276	60	5	11	952

Note: Excludes the Fair Work Ombudsman

TABLE 17: ONGOING FULL-TIME AND PART-TIME EMPLOYEES BY GENDER AND LOCATION AT 30 JUNE 2011

Classification	ACT	NSW	QLD	SA	VIC	WA	NT	TAS	Total
Female full-time	43	137	48	44	121	22	3	3	421
Female part-time	7	35	21	13	32	9	1	0	118
Total female	50	172	69	57	153	31	4	3	539
Male full-time	34	107	37	27	93	24	1	5	328
Male part-time	1	4	1	1	3	0	0	0	10
Total male	35	111	38	28	96	24	1	5	338
Total female and male	85	283	107	85	249	55	5	8	877

Note: Excludes the Fair Work Ombudsman

TABLE 18: NON-ONGOING FULL-TIME AND PART-TIME EMPLOYEES BY GENDER AND LOCATION AT 30 JUNE 2011

Classification	ACT	NSW	QLD	SA	VIC	WA	NT	TAS	Total
Female full-time	4	11	7	0	14	3	0	3	42
Female part-time	0	3	0	0	2	0	0	0	5
Total female	4	14	7	0	16	3	0	3	47
Male full-time	2	5	5	1	11	2	0	0	26
Male part-time	0	2	0	0	0	0	0	0	2
Total male	2	7	5	1	11	2	0	0	28
Total female and male	6	21	12	1	27	5	0	3	75

Note: Excludes the Fair Work Ombudsman

TABLE 19: ONGOING AND NON-ONGOING FULL-TIME AND PART-TIME EMPLOYEES BY GENDER AND LOCATION AT 30 JUNE 2011

Classification	ACT	NSW	QLD	SA	VIC	WA	NT	TAS	Total
Female full-time	47	148	55	44	135	25	3	6	463
Female part-time	7	38	21	13	34	9	1	0	123
Total female	54	186	76	57	169	34	4	6	586
Male full-time	36	112	42	28	104	26	1	5	354
Male part-time	1	6	1	1	3	0	0	0	12
Total male	37	118	43	29	107	26	1	5	366
Total female and male	91	304	119	86	276	60	5	11	952

Note: Excludes the Fair Work Ombudsman

TABLE 20: SENIOR EXECUTIVE AND EXECUTIVE EMPLOYEES BY CLASSIFICATION AND GENDER AT 30 JUNE 2011

Classification	Female	Male	Total
EL 1	60	39	99
EL 2	14	28	42
SES Band 1	4	7	11
SES Band 2	0	2	2
Total	78	76	154

Note: Excludes the Fair Work Ombudsman

TABLE 21: WORKPLACE DIVERSITY PROFILE AT 30 JUNE 2011

Total staff	Female	People from culturally and linguistically diverse backgrounds	People from Aboriginal and Torres Strait Islander backgrounds	People with disabilities
952	586	152	2	24

TABLE 22: EMPLOYEE WORKPLACE AGREEMENTS BY CLASSIFICATION AT 30 JUNE 2011

Classification	Enterprise Agreement	Common Law Contract	Total
APS 1	0	0	0
APS 2	5	0	5
APS 3	188	0	188
APS 4	211	0	211
APS 5	234	0	234
APS 6	160	0	160
EL 1	99	0	99
EL 2	42	0	42
SES Band 1	0	11	11
SES Band 2	0	2	2
Total	939	13	952

Note: Excludes the Fair Work Ombudsman

TABLE 23: SALARY RANGES BY CLASSIFICATION AT 30 JUNE 2011

Classification	Salary ranges
APS 1	\$42 600 – \$44 282
APS 2	\$48 317 – \$51 004
APS 3	\$54 371 – \$58 632
APS 4	\$60 537 – \$65 694
APS 5	\$67 487 – \$71 523
APS 6	\$73 092 – \$84 079
EL 1	\$93 047 – \$105 662
EL 2	\$107 284 – \$142 000
SES Band 1	\$159 342 – \$209 938
SES Band 2	*

** Salaries omitted to protect the privacy of the individuals holding these positions*

TABLE 24: SENIOR EXECUTIVE MOVEMENTS TO 30 JUNE 2011

Name	Reason for Action
Leanne Fry	Engagement to SES Band 1
Ann Smith	Transfer to another APS Agency
Naomi Bleaser	Engagement to SES Band 1

Performance bonuses

No performance bonuses were paid to staff across all classifications in 2010–11.

Appendix B: Occupational health and safety

Reportable accidents and occurrences

Under section 68 of the *Occupational Health and Safety Act 1991*, the Fair Work Ombudsman was required to notify Comcare Australia of any notifiable accidents or dangerous occurrences arising out of work undertaken by any of its employees. Two notifiable accidents and no dangerous occurrences were reported to Comcare Australia in 2010–11.

Investigations

Under section 74(1)(f) of the *Occupational Health and Safety Act 1991*, the Fair Work Ombudsman was required to report any investigations conducted during the year into any of its undertakings. No investigations were conducted in 2010–11.

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, departments and agencies are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten-year national policy framework for improving life for Australians with a disability, their families and carers. A high level report to track progress for people with a disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au. The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au

Appendix C: Freedom of information

Seeking access to documents held by the Fair Work Ombudsman

The *Freedom of Information Act 1982* (FOI Act) gives any person the right to request access to documents in the Fair Work Ombudsman's possession (FOI access request).

While an FOI access request does not have to be in a particular form, the FOI Act sets out the requirements for a valid FOI access request. The request must:

1. be in writing
2. state that the request is an application for the purposes of the FOI Act
3. provide enough information about the document or documents sought as is reasonably necessary to enable the agency to identify it or them
4. give details of how notices under the FOI Act may be sent to the applicant (e.g. by providing a postal address or a fax number or an email address).

The FOI access request must be sent to the agency. It may be sent by:

- pre-paid post to Freedom of Information Contact Officer, Fair Work Ombudsman, GPO Box 9887, Melbourne VIC 3001, or
- email to foi@fwo.gov.au

The FOI Act requires an agency to take reasonable steps to assist an applicant in making a valid FOI access request. Applicants may contact the FOI Contact Officer at the above addresses to discuss the documents the applicant wishes to access before making a request or once a request has been made.

Under the regulations, charges may be imposed on an applicant for:

- searching for and retrieving documents
- decision-making time (except for the first five hours). This includes time spent in deciding to grant or refuse a request (including examining documents, consulting with other parties, and making deletions)
- retrieving and collating information stored on a computer or on similar equipment
- preparing a transcript from a sound recording, shorthand or similar medium
- photocopies and other copies
- replaying a sound or film tape
- supervision by an agency officer of an applicant's inspection of documents or hearing or viewing an audio or visual recording
- posting or delivering a copy of a document at the applicant's request.

No charges may be imposed on applicants seeking access to their personal information. All charges are waived if a statutory timeframe is not met.

Document Access Policy

Some documents may be released by the Fair Work Ombudsman under the Fair Work Ombudsman's Document Access Policy without requiring a FOI access request. The policy can be viewed at www.fairwork.gov.au

Amendment or annotation of a personal record

Any person may also apply to the agency to amend or annotate a personal record under Part V of the FOI Act.

Information Publication Scheme

Under amendments to the FOI Act which came into operation on 1 May 2011, the Fair Work Ombudsman is required to publish the following categories of information on its website as part of an Information Publication Scheme (IPS):

- the agency's organisational structure
- its functions including decision-making powers
- details of certain statutory appointments
- the agency's annual reports
- public consultation arrangements
- information routinely provided to applicants in response to FOI access requests
- information routinely provided to the Federal Parliament
- FOI contact details and the agency's operational information.

This information is currently published on the IPS webpage at www.fairwork.gov.au. The IPS webpage also includes some additional information the Fair Work Ombudsman decides to publish at its discretion. It includes an IPS Agency Plan, setting out what information is published under the IPS, how and to whom it is published and how the agency otherwise complies with its IPS requirements.

Prior to the reforms, the FOI Act required all agencies to include some information in their annual reports which is now captured under the agency's IPS. This includes the information set out in the sections below on 'Organisation, functions and statutory powers' and 'Arrangements for outside participation in the functions of the agency'. In the future, this information will no longer be included in the Fair Work Ombudsman's annual reports.

Organisation, functions and statutory powers

The Fair Work Ombudsman is an independent statutory agency created by the Fair Work Act.

The Fair Work Ombudsman's statutory functions include promoting harmonious, productive and cooperative workplace relations and promoting and monitoring compliance with the Fair Work Act and Fair Work instruments (such as modern awards, enterprise agreements and orders of Fair Work Australia). The Fair Work Ombudsman discharges its promotional duties *inter alia* by providing education, assistance and advice to employees, employers, outworkers, outworker entities and organisations and producing best practice guides on workplace relations or workplace practices.

The Fair Work Ombudsman also investigates workplace complaints or suspected contraventions of the Fair Work Act and Fair Work instruments, as well as safety net contractual entitlements (that is, entitlements in a contract of employment regarding matters dealt with in the National Employment Standards or a modern award). In appropriate cases, the Fair Work Ombudsman litigates to enforce Australia's workplace laws.

The Fair Work Ombudsman may also represent employees or outworkers who are, or might become, a party to proceedings under the Fair Work Act or a Fair Work instrument.

From 1 July 2009, the Fair Work Ombudsman replaced the Workplace Ombudsman and absorbed the general advisory functions previously undertaken by the Workplace Authority.

The Fair Work Act also established the Office of the Fair Work Ombudsman, consisting of the Fair Work Ombudsman, Fair Work Inspectors, Fair Work Infoline Advisers and other staff members.

The organisational structure chart of the Fair Work Ombudsman is on page 9.

In 2010–11, the Fair Work Ombudsman exercised decision-making powers under Commonwealth workplace laws, including the Fair Work Act, the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*, the *Independent Contractors Act 2006* and associated regulations.

The Fair Work Ombudsman provided information and education to stakeholders to improve voluntary compliance with Commonwealth workplace laws and reduce the need for enforcement. The Fair Work Ombudsman also promoted awareness of its role by carrying out targeted campaigns and audits of particular businesses and industries.

Where these measures failed to achieve voluntary compliance, the Fair Work Ombudsman was able to seek to compel compliance by issuing breach notices and, where necessary, by instituting court proceedings against businesses involved in serious breaches of Commonwealth workplace laws, thus deterring others from engaging in such conduct.

The Fair Work Ombudsman also exercised decision-making powers under the FOI Act and the *Privacy Act 1988*.

Arrangements for outside participation in the functions of the agency

The Fair Work Ombudsman takes into consideration submissions made, or opinions expressed, by members of the public, including employers, employees, employer associations and unions, when formulating certain policies, allocating resources, and adopting procedures, strategies and practices related to the Fair Work Ombudsman's statutory functions. For instance, members of the public can express their opinions or make submissions through:

- feedback via www.fairwork.gov.au or the Fair Work Infoline (13 13 94)
- consultation with industry bodies
- correspondence to the Fair Work Ombudsman and Ministerial correspondence.

Categories of documents

In addition to IPS information, a number of documents maintained by the Fair Work Ombudsman are available free of charge from www.fairwork.gov.au or by contacting the Fair Work Infoline. These include fact sheets, media releases and workplace complaint forms.

The Fair Work Ombudsman also maintained the following categories of documents:

- internal administrative records, including personnel and staffing records, internal procedures and policies, financial and expenditure records, audit reports
- documents relating to the administration of the Fair Work Ombudsman's functions, including documents relating to claims and complaints received by the Fair Work Ombudsman
- investigation and litigation files relating to matters being investigated by the Fair Work Ombudsman
- review files relating to requests for reviews from parties affected by decisions of the Fair Work Ombudsman
- targeted campaign files relating to targeted campaigns and audits conducted by the Fair Work Ombudsman
- legal documents, including contracts, leases, requests for tender documentation, tender proposals, evaluations, legal advice and court documents
- reference material used by staff and contract providers, including guidelines, manuals and operational advice
- reports, briefings, correspondence, minutes, payments, receipts, evaluation reports and submissions
- electronic records maintained on the Fair Work Ombudsman's databases
- research papers
- Ministerial correspondence and briefings
- FOI request files.

Documents formerly in the Workplace Ombudsman's possession are in the Fair Work Ombudsman's possession.

FOI requests in 2010–11

The Fair Work Ombudsman received 48 FOI access requests in 2010–11:

- five were withdrawn
- two were granted full access
- 22 were granted partial access
- six were refused access.

There were 13 outstanding requests as at 30 June 2011.

Appendix D: Advertising and market research

Details of payments made to market research, direct mail and media advertising organisations by the Fair Work Ombudsman in 2010–11 are listed in the following table. Where the total paid to an organisation is less than \$11 200, details have not been included. This is consistent with the *Commonwealth Electoral Act 1918*. No advertising campaigns were undertaken by the Fair Work Ombudsman in 2010–11.

TABLE 25: MARKET RESEARCH, DIRECT MAIL AND MEDIA ADVERTISING CONTRACTS OVER \$11 200 DURING 2010–11

Organisation	Service provided	Total \$ paid in 2010–11 (GST inclusive)
Market research organisations		
TNS	Youth research	\$66 000
TNS	Awareness concept testing	\$80 300
Sweeney Research	E-newsletter study	\$52 800
Access Testing	www.fairwork.gov.au usability study	\$63 580
Impact Communications	Staff engagement research	\$54 901
GPS Research	Education strategy research	\$43 560
Direct mail organisations		
Eat Media	International students university cafe promotion	\$20 872
Avant Card	Sexual preference discrimination awareness	\$12 825
Media advertising organisations		
Adcorp	Recruitment advertising	\$86 604
Universal McCann	Clerical workers digital promotion	\$12 601
Universal McCann	Minimum wage change digital promotion	\$22 586

Appendix E: Consulting services contracts

During 2010–11, the Fair Work Ombudsman entered into 16 new consulting services contracts involving total expenditure of \$0.832 million. These consultancies support the outcomes of the Strategic Plan through the provision of services and/or technical skills that are not readily available within existing employee resources.

The Fair Work Ombudsman's policy on the selection and engagement of consultants is in accordance with the Commonwealth Procurement Guidelines and is based on the core principle of value for money.

Consultants were engaged for assignments where the necessary skills and expertise were unavailable within the Fair Work Ombudsman or where there was a need for specialist independent research or assessment.

TABLE 26: CONSULTING SERVICES CONTRACTS TO THE VALUE OF \$10 000 OR MORE LET DURING 2010–11

Consultant	Service to be delivered	Amount	Selection process ⁽¹⁾	Justification ⁽²⁾
Access Testing Pty Ltd	Website usability research	\$63 580	D	C
Aegis Australia	Research consultant	\$22 000	D	C
Audit & Assurance Consulting	Independent chairman – audit committee	\$33 000	D	C
Bearingpoint Pty Ltd	Telephony refresh project – market testing	\$79 475	D	C
Cultural Partners Australia	Culturally and linguistically diverse communities awareness campaign	\$165 000	P	B
Cultural Partners Australia	Culturally and linguistically diverse communities engagement strategy	\$77 000	D	B
Gen-I Australia Pty Ltd	Advice on electronic document and records management system strategy	\$57 154	D	C
Lynne Tacy	Independent member – audit committee	\$22 000	D	C
PricewaterhouseCoopers	Nexus system implementation review	\$75 000	D	C
PricewaterhouseCoopers	Review of phoenixing arrangements	\$99 021	P	C
Pulse Programs Pty Ltd	Executive Board evaluation	\$45 000	D	C
Recordpoint	Electronic document and record management system – concept proofs	\$22 000	D	B
Workplace Research Associates Pty Ltd	Development of work level standards	\$60 005	D	B

(1) Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (December 2008):

- O. Open tender: A procurement procedure in which a request for tender is published inviting all suppliers that satisfy the conditions for participation to submit tenders
- S. Select tender process: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures
- D. Direct sourcing: A procurement process in which an agency invites a potential supplier or suppliers of its choice to make submissions. Direct sourcing may include a competitive process, for example obtaining quotes
- P. Panel: An arrangement under which a number of potential suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements.

(2) Justification to use consultancy:

- A. Skills currently unavailable within agency
- B. Need for specialised or professional skills
- C. Need for independent research or assessment.

Appendix F: Other mandatory information

Ecologically sustainable development and environmental performance

The Fair Work Ombudsman is committed to and encourages the efficient use of energy resources.

The Fair Work Ombudsman has incorporated best practice in environmental management to operate in an ecologically sustainable manner and to provide an environmentally sound workplace. This included promoting:

- energy savings
- reduced material use
- reduced waste
- recycling.

During 2010–11, the Fair Work Ombudsman:

- through its Environmental Policy recognises its responsibility to the Australian Government and the wider community to make a commitment to minimise the impact of its operations on the environment
- actively participated in the Earth Hour event on 26 March 2011, registering for the event and promoting this event to all employees in the Fair Work Ombudsman
- installed recycling bins in all utility rooms
- conducted a review of lighting sensors to ensure energy efficient lighting
- purchased recycled paper for the production of training manuals.

The Fair Work Ombudsman also undertook the following information and communications technology sustainability projects in 2010–11:

- completed a rollout of Multi Functional Devices (MFDs), replacing individual printers, photocopiers, faxes and scanners. This created a common fleet of equipment that can be centrally managed and allowed implementation of MFD environmentally friendly functions, such as default double-sided printing
- replaced the Fair Work Ombudsman's fleet of desktop computers with more energy efficient machines that meet criteria for the Electronic Product Environmental Assessment Tool gold standard. The new desktop computers are automatically put into 'sleep' mode overnight and after more than 30 minutes of inactivity during the day. Energy efficient screens provide a further reduction in energy consumption of up to 60% on the old monitors

- donated more than 1500 computers to the Computer Technology For Schools program
- participated in the 'Close the Loop' program for toner cartridge recycling
- recycled more than 45kg of mobile phones, batteries and accessories.

Grant programs

The Fair Work Ombudsman administered one grant program in 2010–11 – the Shared Industry Assistance Project (SIAP) grants program.

In May 2010, the SIAP grants program invited 40 leading industry organisations to apply for grants of up to \$104 000 to develop new guidance materials to help businesses understand their modern awards. Following a competitive selection process, on 1 October 2010, the Fair Work Ombudsman announced that 15 organisations had been offered a total of 25 grants worth \$2.5 million.

Information on grants awarded by the Fair Work Ombudsman during the period 1 July 2010 to 30 June 2011 is available at www.fairwork.gov.au

Summary of Resources

TABLE 27: EXPENSES AND RESOURCES FOR OUTCOME 1

Outcome 1: Compliance with workplace relations legislation by employees through advice, education and where necessary enforcement	Budget 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation \$'000
	(a)	(b)	(a–b)
Program 1: Education Services and Compliance Activities			
Administered Expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	\$1768	\$1768	–
Departmental Expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	\$147 710	\$149 015	(\$1305)
Revenue from independent sources (Section 31)	–	\$1600	(\$1600)
Total for Program 1	\$149 478	\$ 152 383	(\$2905)
Total Expenses for Outcome 1	\$149 478	\$152 383	(\$2905)
2010–11			
Average staffing level (number)		874	

Note: Budget information reflects budgets as set out in the Portfolio Budget Statements 2010–11.

Agency resource statement

TABLE 28: AGENCY RESOURCE STATEMENT 2010-11

	Actual Available Appropriations for 2010–11 \$'000	Payments Made 2010–11 \$'000	Balance Remaining 2010–11 \$'000
	(a)	(b)	(a–b)
Ordinary Annual Services Departmental Outputs			
Departmental outputs	\$200 258	\$140 655	\$59 603
Total Ordinary Annual Services	\$200 258	\$140 655	\$59 603
Other Services Departmental Non-Operating			
Equity injections	\$25 999	\$5628	\$20 371
Total Other Services	\$25 999	\$5628	\$20 371
Total Available Annual Appropriations	\$226 257	\$146 283	\$79 974
Total Appropriations Excluding Special Account	\$226 257	\$146 283	\$79 974
Special Account			
Opening balance	\$1466	–	\$1466
Non-appropriation receipts	\$340	–	\$340
Payments	–	\$146	\$(146)
Total Special Account	\$1806	\$146	\$1600
Total Net Resourcing for Fair Work Ombudsman	\$228 063	\$146 429	\$81 634



References

Glossary

Australian Public Service (APS) employee	A person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the <i>Public Service Act 1999</i> .
Assisted voluntary resolution	Assists alleged wrongdoers and complainants find a fair and mutually acceptable resolution to a workplace complaint, without having to immediately resort to formal investigation.
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Enforceable Undertakings	A written commitment outlining how a person intends to rectify a contravention.
Enterprise Agreement	An agreement made under the Fair Work Act (on or after 1 July 2009) between one or more employers and a group of employees in relation to terms and conditions of employment for those employees.
Fair Work Australia	The national workplace relations tribunal created by the Fair Work Act. It is an independent body with power to carry out a range of functions covering: the safety net of minimum wages and employment conditions; enterprise bargaining; industrial action; dispute resolution and termination of employment.
Fair work instruments	See <i>industrial instruments</i> .
Freedom of association	The right of all employees to join or not join a union. They must not be pressured by the union or employer or any other person to make a decision about joining, not joining or leaving a union.
Industrial action	Industrial action by employees includes: performing work in a different way from usual so as to restrict, limit or delay the performance of their work; failing or refusing to attend work or perform any work at all; or observing a ban, limitation or restriction on performing their work. Industrial action by employers includes locking employees out of their workplace so they cannot perform any work.
Industrial instruments	Sets out minimum conditions of employment for employees to whom they apply or they cover. Instrument types include modern awards, enterprise agreements, award-based transitional instruments and transitional minimum wage instruments and agreement-based transitional instruments.

Modern awards	An award made by the Australian Industrial Relations Commission as part of the award modernisation process that commenced operation on 1 January 2010. Modern awards supplement the National Employment Standards by setting out additional minimum terms and conditions that apply in a particular industry or occupation including monetary entitlements such as wages, penalty rates and allowances.
National Employment Standards (NES)	Ten minimum standards of employment that apply to national system employees from 1 January 2010. For a list of the NES visit www.fairwork.gov.au/nas
National workplace relations system	Introduced on 1 July 2009 by the Fair Work Act and related legislation. Applies to most employers and employees in Australia. Key features of the national workplace relations system include the National Employment Standards and modern awards.
National enterprise	An employer with a national or multi-state presence, a significant number of sites or outlets and a significant number of employees.
Notice to Produce	As part of an investigation, a Fair Work Inspector can issue a written notice that requires a person to provide records or documents at a particular location, within a specified time period (at least 14 days). It is a contravention of the Fair Work Act if a person fails to comply with a Notice to Produce and has no reasonable excuse.
Sham contracting	Where an employer tries to disguise an employment relationship as an independent contracting relationship. This may be done to avoid having to give the employee their proper entitlements.
Small business employer	An employer that employs less than 15 employees, including full-time, part-time and regular and systematic casual employees.
Transitional arrangements	A process of implementing certain monetary entitlements in modern awards in five 20% increments over a four year period from the first full pay period on or after 1 July 2010 in accordance with the model transitional provisions in a modern award.
Unfair dismissal	Occurs when a termination of employment is: harsh, unjust or unreasonable; not a genuine redundancy; the employer has not adhered to the Small Business Fair Dismissal Code (if relevant), and; the employee is protected by unfair dismissal provisions in the Fair Work Act.
Workplace discrimination	Under the Fair Work Act, it is unlawful for an employer to discriminate against an employee or prospective employee on the basis of race, colour, sex, sexual preference, age, physical or mental disability, marital status, family or carer's responsibilities, pregnancy, religion, political opinion, national extraction or social origin.

Abbreviations and acronyms

AVR	Assisted Voluntary Resolution
AWA	Australian Workplace agreement
CPSU	Community and Public Sector Union
EL2	Executive Level 2
Fair Work Act	<i>Fair Work Act 2009</i>
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
KPI	Key Performance Indicator
NES	National Employment Standards
PBS	Portfolio Budget Statements
SDA	Shop, Distributive and Allied Employees Association
SES	Senior Executive Service
SIAP	Shared Industry Assistance Projects

List of requirements

Part of report	Description	Requirement	Page
	Letter of transmittal	Mandatory	ii
	Table of contents	Mandatory	iii
	Index	Mandatory	165
	Glossary	Mandatory	158–159
	Contact officer(s)	Mandatory	v
	Internet home page address and Internet address for report	Mandatory	v
Review by Fair Work Ombudsman	Review by Fair Work Ombudsman	Mandatory	2–5
	Summary of significant issues and developments	Suggested	2–5
	Overview of agency's performance and financial results	Suggested	2–5
	Outlook for following year	Suggested	2–5
Agency overview	Overview description of agency	Mandatory	8
	Role and functions	Mandatory	8
	Organisational structure	Mandatory	9
	Outcome and program structure	Mandatory	12
	Where outcome and program structures differ from PBS format, details of variation and reasons for change	Mandatory	Nil to report

Part of report	Description	Requirement	Page
Report on performance	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	14–72
	Actual performance in relation to deliverables and KPIs set out in PBS	Mandatory	17
	Performance of purchaser/provider arrangements	If applicable, suggested	84
	Where performance targets differ from the PBS, details of both former and new targets, and reasons for the change	Mandatory	Nil to report
	Narrative discussion and analysis of performance	Mandatory	14–72
	Trend information	Mandatory	14–72
	Significant changes in nature of principal functions/ services	Suggested	14–72
	Factors, events or trends influencing departmental performance	Suggested	14–72
	Contribution of risk management in achieving objectives	Suggested	74–78
	Performance against service charter, customer service standards, complaints data, and the agency's response to complaints	If applicable, mandatory	30–55
	Discussion and analysis of the agency's financial performance	Mandatory	84
	Discussion of any significant changes from the prior year or from budget	Suggested	Nil to report
	Agency resource statement and summary resource tables by outcomes	Mandatory	155–156
	Developments since the end of the financial year that have affected or may significantly affect the agency's operations or financial results in future	If applicable, mandatory	Nil to report

Part of report	Description	Requirement	Page
Corporate governance	Statement of the main corporate governance practices in place	Mandatory	74
	Names of the senior executive and their responsibilities	Suggested	75
	Senior management committees and their roles	Suggested	74
	Corporate and operational planning and associated performance reporting and review	Suggested	74–78
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	74–78
	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	77
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	74
	How nature and amount of remuneration for SES officers is determined	Suggested	119–120
External scrutiny	Significant developments in external scrutiny	Mandatory	79
	Judicial decisions and decisions of administrative tribunals	Mandatory	79
	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	Nil to report
Management of human resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	80–83
	Workforce planning, staff turnover and retention	Suggested	80–83
	Impact and features of enterprise or collective agreements, individual flexibility agreements (IFAs), determinations, common law contracts and AWAs	Suggested	82
	Training and development undertaken and its impact	Suggested	80–82
	Occupational health and safety performance	Suggested	83, 144
	Productivity gains	Suggested	Nil to report
	Statistics on staffing	Mandatory	140–143
	Enterprise or collective agreements, determinations, common law contracts and AWAs	Mandatory	82
	Performance pay	Mandatory	143
Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	Nil to report
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	84

Part of report	Description	Requirement	Page
Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory	151–152
	Statement that contracts and consultancies information is available through the AusTender website		84
Australian National Audit Office access clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	Nil to report
Exempt contracts	Contracts exempt from AusTender	Mandatory	Nil to report
Financial statements	Financial statements	Mandatory	85–138
Other information	Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i>)	Mandatory	144
	Freedom of information for the period 1 July 2010 to 30 April 2011 inclusive	Mandatory	145–149
	Advertising and market research (section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	150
	Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	153–154
	Grant programs	Mandatory	154
	Disability reporting	Mandatory	144
	Correction of material errors in previous annual report	If applicable, mandatory	Nil to report

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