



Fair Work  
OMBUDSMAN



Australian Government  
Registered Organisations Commission

# ▲ Fair Work Ombudsman and ▲ Registered Organisations Commission Entity

Annual Report  
2020–21



The Fair Work Ombudsman and  
Registered Organisations Commission Entity  
Annual Report 2020–21



Senator the Hon Michaelia Cash

Attorney-General and Minister for Industrial Relations

Parliament House  
CANBERRA ACT 2600

20 September 2021

Dear Minister

In accordance with section 686 of the Fair Work Act 2009, section 329FC of the Fair Work (Registered Organisations) Act 2009 and section 46 of the Public Governance, Performance and Accountability (PGPA) Act 2013, I am pleased to submit the Fair Work Ombudsman (FWO) and Registered Organisations Commission (ROC) Entity annual report for the financial year ending 30 June 2021. It includes information on the Entity's general organisation, administration and performance.

As the accountable authority for the FWO and ROC Entity, pursuant to section 17AG of the PGPA Rule 2014, I certify that we have:

- a fraud risk assessment and fraud control plan
- appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the FWO's and ROC's specific needs
- taken all reasonable measures to appropriately deal with fraud.

Yours sincerely,



Sandra Parker  
Fair Work Ombudsman

# Contents

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Letter of transmittal	iii
Year in review	1
01: Entity overview	4
02: FWO performance report	8
03: ROC performance report	26
04: Management and accountability	40
05: Financial statements	52
06: Reference materials	88
Index	98

# Year in review



*Pictured: Sandra Parker PSM, Fair Work Ombudsman.*

In the past year, we achieved our purpose of promoting harmonious, productive, cooperative and compliant workplace relations in Australia through intelligence-led education and compliance activities.

Our focus on priority sectors and issues helped us determine where our discretionary efforts were best directed. This enabled us to utilise our resources to deliver maximum benefit to the Australian community and resulted in \$148.4 million in monies recovered for over 69,700 workers. This is a 20% increase on 2019–20 and nearly 5 times the recoveries achieved in 2017–18.

Guided by our 2020–21 priorities, we have:

- conducted 4,201 investigations in response to requests for assistance involving a workplace dispute and a further 874 targeted compliance activities in high-risk sectors
- achieved significant litigation outcomes, including penalties under the 'serious contraventions' provisions of the Protecting Vulnerable Workers laws<sup>1</sup>
- established our Large Corporates Branch to support specialised investigations into corporate sector underpayments
- worked with business, community organisations, unions and government agencies to better understand the drivers of non-compliance
- launched tailored education resources and campaigns to educate Australian workplaces about rights and entitlements
- remained responsive in our approach to meet the significant challenges created by the coronavirus pandemic.

## Supporting workplaces through COVID-19

COVID-19 has significantly changed the industrial relations landscape. Supporting Australia's businesses and workforce through the pandemic was our overarching priority in 2020–21.

We focused on supporting vulnerable workers, small businesses and industries hardest hit. This included ensuring the most up-to-date information and advice was available as the situation evolved. Our coronavirus hotline answered more than 46,000 calls and our coronavirus website received over 3.2 million pageviews.

We also continued to uphold the integrity of the Fair Work Act provisions of the JobKeeper scheme (which ended on 28 March 2021) through appropriate and proportionate compliance activities. For example, we resolved 1,128 JobKeeper matters and recovered \$852,120 in unpaid JobKeeper entitlements for 308 workers.

High-risk sectors including fast food, restaurants and cafés, horticulture and franchise networks also remained a priority. Many of these sectors have been seriously impacted by the pandemic, and this was a consideration in our education, engagement, compliance and enforcement activities.

## Large corporate underpayments

We also continued to focus on compliance of large corporate entities to ensure major employers are meeting their obligations and have appropriate governance and systems in place to identify, remedy and prevent large underpayments.

In the last 2 financial years a significant number of employers, including some of Australia's largest companies, have come forward to self-disclose workplace law breaches. Many thousands of workers have been impacted through being underpaid over many years.

Underpayments by large corporate entities have become a significant issue of public concern. We engage with these entities to provide assurance to underpaid employees and the community that backpayments are made and that corrective action is implemented by the company to prevent further underpayments.

Where entities engage with us openly and transparently and fully cooperate with us to assess and rectify underpayments as quickly as possible, there are significant benefits for employees and the entity, including non-litigious outcomes.

In the past financial year, 17 of the 19 court-enforceable undertakings (EUs) we entered into were with large employers who self-reported non-compliance to us. These EUs, and our corresponding media releases, send a message that employers, especially large corporate entities, must place a much higher priority on investing in payroll and workplace relations systems and expertise to ensure they are paying workers what they are entitled to.

## Enforcing workplace laws

Regulating Australian workplaces significantly impacted by the COVID-19 pandemic has required a degree of flexibility in our approach. We continue to enforce workplace laws in a proportionate manner, focusing on matters that:

- involve vulnerable workers
- are of significant public interest or scale
- demonstrate blatant disregard for the law
- can provide guidance on the interpretation of the law.

Our response to serious non-compliance remains firm and has resulted in increased use of our compliance and enforcement tools. In particular, the issuing of compliance notices (CNs) by Fair Work Inspectors continued to achieve significant results.

<sup>1</sup> FWO media release, Melbourne retailer penalised for deliberate breaches, 12 February 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/february-2021/20210212-uncle-toys-penalty-media-release>  
FWO media release, Perth franchisee penalised \$230,040 for repeat offending, 13 November 2020, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2020-media-releases/november-2020/20201113-tac-pham-penalty-media-release>

In 2020–21, we issued 2,025 CNs, recovering more than \$16.5 million in unpaid wages. This compares with 220 CNs issued and \$0.95 million recovered for workers in 2017–18.

We recognise underpayments do not always occur as a result of deliberate action, but the outcomes are nonetheless harmful to the employees they affect. CNs give businesses a chance to make things right without receiving an additional penalty. Failing this, we will take court action to get unpaid wages back into the pockets of underpaid staff.

In 2020–21, we initiated 76 litigations – 41% more litigations than in 2019–20.



Figure 1: Fair Work Ombudsman Priorities and Approach 2020–21

## Education and assistance

In addition to compliance and enforcement, providing education and assistance to employers, employees and organisations is a core function of the FWO.

In the past financial year, our frontline staff answered more than 423,000 customer enquiries over our phone and digital channels (including social media) and returned over \$10.6 million to underpaid workers through our assisted dispute resolution services. The community also lodged over 14,000 anonymous reports of suspected non-compliance and made over 5.8 million pay tool calculations.

Our website was visited a record 21.4 million times. We continued to educate the community about their workplace rights and obligations and develop new and tailored resources for our online channels, including:

- a template to help employers and their employees make a piecework agreement simply and easily under the Horticulture Award
- new and updated sham contracting resources to help our customers understand the differences between employees and independent contractors

- a range of new education tools and resources to help small business understand their workplace rights and obligations
- web content and the Casual Employment Information Statement, which detail changes to workplace entitlements and obligations for casual employees.

## Outlook

COVID-19 continues to have an unprecedented impact on Australian workplaces. Supporting employers and employees through the pandemic remains our core focus for 2021–22.

In addition to pandemic recovery support, fast food, restaurants and cafés (FRAC), large corporate underpayments, horticulture, sham contracting and franchising remain priorities for us in 2021–22. These priority areas continue to rate highly in our risk analysis.

We will also focus on the new priority area of contract cleaning. Our operational intelligence, experience and data tell us that the sector:

- has a high business entry rate, with many operators being small businesses
- comprises a large proportion of vulnerable employees, including low-paid migrant workers
- has a history and ongoing high risk of non-compliance – especially as demand for COVID-19-safe cleaning services is expected to drive quick recovery in the sector.

This year, as part of the FWO's priority setting process, we also made an enduring commitment to prioritising services and support for small businesses and vulnerable workers. This shouldn't come as a surprise, as these cohorts are in need of greater assistance from government and providing this assistance is already a core part of what we do.

Consistent with this, we launched the Employer Advisory Service on 1 July 2021. This free service provides eligible small businesses with tailored written advice about their employees' pay and entitlements under the National Employment Standards and awards.

We will continue to work across government and with relevant stakeholders to further understand the impacts of COVID-19 on workplaces. We will also continue to educate employers and employees about their rights and obligations by refining and adding to our suite of resources. And we will continue to take a strong stance against deliberate and systemic non-compliance with workplace laws.



# 01: Entity overview



*Pictured: Jeremy O'Sullivan, Chief Counsel; Kristen Hannah, Deputy Fair Work Ombudsman – Policy and Communication; Sandra Parker PSM, Fair Work Ombudsman; Michael Campbell, Chief Operating Officer; and Mark Scully, Deputy Fair Work Ombudsman – Compliance and Enforcement.*

The Fair Work Ombudsman and Registered Organisations Commission Entity (the Entity) comprises 2 independent government bodies:

- the Fair Work Ombudsman (FWO), created by the Fair Work Act 2009
- the Registered Organisations Commission (ROC), established under the Fair Work (Registered Organisations) Amendment Act 2016.

## Outcome and planned performance

### Fair Work Ombudsman

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

#### Program 1.1 — Education services and compliance activities deliverables

- 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.

### Registered Organisations Commission

Outcome 2 — Effective governance and financial transparency of registered employee and employer organisations through regulation, investigation and appropriate enforcement action.

#### Program 2.1 — Registered Organisations Commission deliverables

- Conduct inquiries and investigations into breaches of the Fair Work (Registered Organisations) Act 2009.
- Commence legal proceedings in respect of contraventions of the Fair Work (Registered Organisations) Act 2009.
- Refer possible criminal offences to the Director of Public Prosecutions or law enforcement agencies.
- Arrange registered organisations' elections.
- Receive complaints from members of registered organisations.
- Provide information to members of registered organisations about their rights.
- Educate registered organisations about their obligations.



# Entity structure

Figure 2: Entity organisation structure, as at 30 June 2021





*Note: Sandra Parker, the Fair Work Ombudsman, is the agency head for the purposes of the Public Service Act 1999 and is the accountable authority for the purposes of finance laws. She has been the accountable authority since 15 July 2018.*

*Reporting lines as per accountable authority instructions. The Registered Organisations Commission comprises the Registered Organisations Commissioner, Mark Bielecki, and staff assisting the Commissioner who are APS employees employed by the FWO.*



# 02: FWO performance report



Fair Work Ombudsman annual performance statement	11
Our priorities, services and activities	13
Our response to the COVID-19 pandemic	13
Online services	14
Advice, education and dispute resolution services	16
Investigations and activities	17
Enforcement outcomes	21

# Performance snapshot

Total monies recovered

**\$148,374,054**

through requests for assistance involving a workplace dispute and FWO investigations, including of large corporates self-reporting underpayments



**69,735** workers back-paid



Completed disputes **18,696**



**76**  
litigations  
filed

Court-ordered penalties:  
**\$2,857,501**



First penalty judgements for matters filed under Protecting Vulnerable Worker 'serious contravention' provisions



Secured **\$2,082,051** in court-ordered penalties for migrant workers and recovered **\$824,443** in unpaid wages



Total website visits  
(including dedicated coronavirus website):  
**22,459,086**



Pay tool visits:  
**4,796,111**



Pay tool calculations:  
**5,808,499**



My account logins:  
**298,164**



My account registrations:  
**80,108**



Online enquiries answered  
(Facebook, Twitter, LinkedIn,  
webchats, My account and email):  
**47,113**






Email subscribers:  
more than **593,000**



Calls answered:  
**375,921**

Social media followers:

	<b>172,935</b> Facebook		<b>20,981</b> Twitter		<b>49,501</b> LinkedIn
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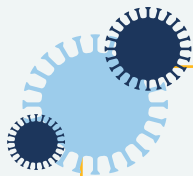
**19** enforceable undertakings entered into, with **\$81,731,999** in unpaid wages recovered



**513** infringement notices issued, with **\$518,396** in on-the-spot fines



**2,025** compliance notices issued, with more than **\$16.5 million** in unpaid wages recovered



## COVID-19 response



Coronavirus website page views: over **3.2 million**



Coronavirus hotline calls answered: more than **46,000**



Workplace Legal Advice Program referrals: **1,334**



JobKeeper disputes resolved: **1,128** with **\$852,120** recovered for **308** workers



Fact sheets and best practice guides collectively viewed over **4.4 million** times



Record my hours downloads:  
**15,593**



Views of in-language information:  
more than **218,000**



Find my award searches:  
**1,004,797**



Pages translated:  
over **227,000**



Online courses commenced:  
**54,341**

# Fair Work Ombudsman annual performance statement

I, Sandra Parker, as the Entity's accountable authority, present the 2020–21 annual performance statement, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The statement is based on properly maintained records, accurately reflects the Entity's performance and complies with subsection 39(2) of the PGPA Act.

## Agency purpose

The FWO is the Australian Government agency responsible for ensuring compliance with workplace relations laws. Our purpose is to promote harmonious, productive, cooperative and compliant workplace relations.

## Results

Performance measures relating to our activities in providing education, assistance, advice and guidance to employers, employees, outworkers, outworker entities and organisations

Performance criteria	Measure	Target	Achieved	Further information on results
<b>KPI 1: FWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations</b>				
FWO will undertake an annual survey to determine stakeholder satisfaction levels. Year-on-year results will be used to measure changes in stakeholder satisfaction.	Percentage of stakeholder responses demonstrating a rating of satisfied or better	Greater than 75%	89% of stakeholders were satisfied that FWO has a positive impact	
<b>KPI 2: FWO provides high quality of advice and assistance</b>				
FWO will undertake ongoing surveys to determine customer satisfaction levels. A sample of customers who have interacted with our advisers through the Fair Work Infoline will be asked to participate in the surveys.	Percentage of customer responses demonstrating a rating of satisfied or better	Greater than 75%	84% of customers were satisfied with the quality of advice and assistance	Advice, education and dispute resolution services (p.16)
<b>KPI 3: FWO's digital tools are effective</b>				
The FWO will use a combination of quantitative data and customer surveys to: <ul style="list-style-type: none"> <li>report on digital tool usage numbers and year-on-year changes</li> <li>survey customers to determine percentage of digital tool users who report that tools improved their understanding of workplace rights and obligations.</li> </ul>	Percentage of customer responses demonstrating a rating of satisfied or better	Baseline to be established through 3 customer surveys in the 2020–21 year	74% of customers reported the website to be an effective tool	Online services (p.14)

Performance measures relating to our activities in promoting and monitoring compliance with workplace laws and inquiring into and investigating breaches of the Fair Work Act and taking appropriate enforcement action

Performance criteria	Measure	Target	Achieved	Further information on results
<b>KPI 4: Requests for assistance involving a workplace dispute finalised in average of 30 days</b>				
The FWO will use quantitative data to determine the average number of days taken to finalise requests for assistance involving a workplace dispute.	Average time taken	Less than 30 days	29 <sup>2</sup>	
<b>KPI 5: FWO takes appropriate enforcement action</b>				
The FWO will use a combination of quantitative data and case studies to demonstrate that we: <ul style="list-style-type: none"> <li>apply a risk-based approach to enforcement action in accordance with the FWO's compliance and enforcement policy</li> <li>develop annual strategic compliance and enforcement priorities to guide our approach.</li> </ul>	Compliance notices issued	850	2025	Enforcement outcomes (Detail on relevant enforcement case studies is included in the Investigation and activities section of this report; see page 17)
	Penalty infringement notices	400	513	
	Enforceable undertakings entered into	20	19	
	Litigations filed	40–50	76	
	Annual strategic compliance and enforcement priorities developed and announced	✓	✓	

## Analysis of performance against FWO purpose

In 2020–21, we met the majority of our performance indicators.

The FWO's progress towards its purpose was achieved in the context of volatile business and labour market conditions, influenced by the ongoing COVID-19 pandemic.

Use of our main service offerings, including our website and Infoline, increased or remained consistent with previous financial years, indicating that the community continues to access our advice, resources and assistance at their convenience. We answered fewer calls than in 2019–20, when enquiries spiked at the start of the pandemic. Our 2020–21 call answer rate was consistent with preceding financial year rates.

<sup>2</sup> This figure was calculated using a trimmed mean method to moderate the impact of data cleansing audits on the underlying raw data.

The reduction in calls is also attributed to fewer visa holder enquiries. We saw service peaks for the website and Infoline following major Commonwealth and state/territory government announcements relating to the pandemic. This included those announcing restrictions and legislative changes, with customers seeking the most up-to-date workplace relations information and advice as the pandemic evolved.

We continued to undertake detailed analysis to understand trends in the internal and external environment to ensure operational priorities and activities targeted problematic sectors and industries. Our 2020–21 compliance and enforcement priorities, coupled with our proportionate and risk-based approach, guided our activities for the year. This ensured we targeted our resources at issues and industries where we would have the most impact.

We sustained a firm compliance and enforcement posture. This resulted in an increase in the use of most of our enforcement tools. Notably, our use of compliance notices increased 113% with almost twice the monies recovered as in the 2019–20 financial year. We continue to enter into more court-enforceable undertakings each year, with 19 – 7 more than in 2019–20 – entered into during the year.

Enforceable undertakings have proved to be an effective tool to remedy and prevent significant underpayments by large employers who self-reported non-compliance to us. We also commenced 76 litigations against companies and individuals for serious non-compliance – a 41% increase from the previous year.

We worked across government and with relevant stakeholders to enhance our understanding of the reasons for non-compliance with workplace laws, and to inform our education and compliance activities. This included working on several inter-departmental committees and working groups to respond to workplace relations issues arising out of the COVID-19 pandemic.



# Our priorities, services and activities

The FWO provides education, advice and a range of tailored dispute resolution tools to promote harmonious, productive, cooperative and compliant workplace relations. In 2020–21, this included resources and services to assist the community through the COVID-19 pandemic.

We also enforce workplace laws both in response to requests for assistance and through FWO-initiated activities. Further details about our functions and approach are included in our Purpose and our Compliance and Enforcement Policy, which are available on the FWO website at [fairwork.gov.au](https://www.fairwork.gov.au).

In 2020–21, we recovered \$148.4 million in unpaid wages for more than 69,700 workers through requests for assistance involving a workplace dispute, FWO-initiated activities and large employers self-reporting underpayments to us. This is a 20% increase in monies recovered from the previous financial year.

To support deterrence, we issued 155 media releases over the year reporting on our compliance and enforcement activities.

## Our response to the COVID-19 pandemic

The FWO's priority remains to support workplaces through the COVID-19 pandemic and recovery phases by ensuring the most up-to-date information and advice is available as the situation continues to evolve.

The COVID-19 pandemic has had a significant impact on Australian workplaces, and we continue to adjust our resources and services to meet the changing needs of our customers.

### COVID-19 online services

#### Coronavirus website

Our dedicated coronavirus website at [coronavirus.fairwork.gov.au](https://coronavirus.fairwork.gov.au) provides the community with up-to-date information and advice and addresses the most common enquiries and issues. Information and topics covered on the mobile-friendly site include:

- COVID-19 vaccinations and the workplace
- what to do when workplaces shut quickly because of a lockdown
- pay and leave
- the rules relating to the former JobKeeper scheme
- temporary changes to workplace laws, including award-specific flexibility provisions and pandemic leave
- health and safety in the workplace
- alternative working arrangements
- stand downs, ending employment and redundancy.

The information on our coronavirus website can also be translated into 34 languages.

In November 2020, we introduced an interactive website tool to guide employers to the information they need as they reopen, scale up and adapt their operations to be COVID-safe. The tool cross-promotes other government COVID-19 resources, including Safe Work Australia's COVID-19 business planning tool.

We also developed template letters to help small businesses manage their COVID-19 obligations. Topics covered include:

- using the former JobKeeper scheme Fair Work Act provisions to issue stand down directions or change an employee's duties or work location
- standing down employees due to the impacts of coronavirus
- directing employees to take annual leave during a coronavirus outbreak.

Two videos dispelling common misconceptions about JobKeeper and return to work rules, aimed at employers and employees, were also added during the year.

Since its launch (on 25 March 2020), there had been over 7.3 million pageviews of our coronavirus web content to 30 June 2021.

Usage of the coronavirus website peaked in the initial stages of the pandemic, with similar peaks occurring following major Commonwealth and state/territory government announcements, including those announcing restrictions and legislative changes.

#### Virtual assistant

Our virtual assistant, 'Frankie', is designed to help answer our online customers' COVID-19-related questions.

At the peak of JobKeeper, Frankie answered approximately 340 COVID-19 related workplace questions (and over 2,500 question variations). We continually update and refine Frankie to ensure she is meeting user needs and answering frequently asked questions.

If a customer asks about information that is outside our jurisdiction, Frankie will direct them to the most appropriate government website, such as Services Australia, the Australian Taxation Office or the Department of Health.

Where Frankie can't answer a question, she will respond with a safety net response, advising the customer that she can't answer all questions. Frankie encourages customers to visit [fairwork.gov.au](https://fairwork.gov.au) for answers to general questions about workplace laws. As at 30 June 2021, Frankie's safety net response rate was 4.50%.

As at 30 June 2021, Frankie has had a total of 63,077 sessions (the number of times the virtual assistant has been opened) and 80,033 questions from customers since launch on 5 June 2020.

#### Phone services – coronavirus hotline

Customers seeking COVID-19 advice via our phone services are directed to our coronavirus hotline through our Interactive Voice Response system.

In 2020–21, the hotline answered 46,276 calls. The majority of these came from employees.

The top 3 industries to call through were from:

- cafés, restaurants and takeaway food services
- personal care services
- building installation services.

Consistent with 2019–20, the key areas our customers wanted information on related to:

- entitlements
- general wages (such as hourly rate)
- hours of work
- leave.

Topics of specific interest included:

- JobKeeper (in relation to enabling stand downs, payment and accrual of entitlements)
- stand down
- payment and leave during lockdown or self-isolation
- deterioration of business conditions due to COVID-19 (including reducing employee hours and redundancy).

## Workplace Legal Advice Program

Our Workplace Legal Advice Program commenced in April 2020 and was expanded to assist more businesses and employees in 2020–21.

The program aims to help eligible workplace participants respond to and recover from the impacts of the pandemic. The FWO refers participants to a panel of 11 external legal service providers with specialist skills in workplace relations who provide free and confidential legal advice.

In 2020–21, we referred 1,334 participants to external legal service providers for funded legal advice under this program.

## COVID-19 stakeholder activities and engagements

We have been working closely with government, industry and community stakeholders to respond to workplace relations issues arising out of the COVID-19 pandemic and to share learnings and strategies. Key engagements and activities include:

- working across Government to administer the Fair Work Act provisions of the JobKeeper scheme, which finished on 28 March 2021. The FWO was a member of the JobKeeper Program Inter-Departmental Committee and its working groups, each of which oversaw key aspects of the program
- meeting with industry, employer and employee organisations to understand the impact COVID-19 has had on different industries and organisations, and to promote and seek feedback on our education tools and resources
- meeting with the Employment Services division of the Ministry of Business, Innovation and Employment (MBIE – New Zealand) to share and learn from their experience in managing the impacts of the pandemic
- sending email newsletters to community organisations and intermediaries to supplement virtual engagement. Stakeholders were asked to share our messages through their networks, including information on legislative changes, new resources and invitations to FWO webinars.

## COVID-19's impact on our services

The FWO continues to discharge its statutory functions to provide education, advice and enforcement in a proportionate and appropriate way, consistent with the public interest.

We recognise the significant impact the COVID-19 pandemic is having on workplaces and remain focused on providing resources to assist employers and employees navigate the complexities of the Fair Work Act in the context of the evolving pandemic.

While we consider the prevailing business conditions when addressing non-compliance, those found to be engaging in egregious or systemic non-compliance will continue to be held to account.

FWO ceased its face-to-face appointments with customers throughout the financial year, for the health and safety of our staff as well as the wider community. Customers are referred to our national call centre and online services. Our field-based work and physical attendance at education and engagement events were also limited at times during the year. Site visits by Fair Work Inspectors and event attendance continue, where it is safe and appropriate to do so.

## Online services

Our website, [www.fairwork.gov.au](http://www.fairwork.gov.au), is our largest customer-service channel, providing education and advice on Australia's workplace relations system.

The mobile-friendly site provides:

- comprehensive information about workplace rights and obligations
- content, tools and resources that are designed and tailored to meet a range of different audience and customer needs, learning styles and education levels
- industry-specific information on workplace laws
- access to self-service tools, including pay and leave calculators, online learning courses and interactive templates
- a translation tool that allows customers to view website information in 36 different languages
- professionally translated information and resources in over 30 languages.

In 2020–21, visits to [fairwork.gov.au](http://fairwork.gov.au) increased by 3% from the previous financial year to 21.4 million visits.

**Table 1: Website visits and users, 2018–21**

	2020–21	2019–20	2018–19
fairwork.gov.au visits	21,373,555	20,706,559	17,846,171
fairwork.gov.au users	12,461,633	11,790,566	10,081,020

*Note: Visits represent the total number of individual visits to the website. Users represent the number of individuals who have visited the website. These figures count visits from the same user as an additional visit, but not as an additional user.*

For information about our dedicated coronavirus website see COVID-19 online services (p.13).

## Tailored information and resources

We have continued to enhance and expand our suite of online resources to provide more tailored information and assistance to our customers.

To continue to support employers and employees to prevent and resolve workplace issues, we launched a new 'Workplace problems' website section in February 2021. This section uses tailored language and provides resolution steps to make it easier for customers to act.

As at 30 June 2021 these pages had been collectively viewed over 231,000 times.

## Horticulture showcase

Our horticulture showcase continues to prove popular with growers and workers in this industry. This digital showcase provides industry-specific information, tailored resources and self-help tools and covers topics including:

- pay and piecework rates
- sourcing labour and how to use labour hire lawfully
- tips for working on the Harvest Trail
- deductions for accommodation, transport and job finding.

The showcase also includes a series of educational videos, an inbuilt automatic translation tool that enables users to translate content into 36 languages and an interactive tool that growers can use to check their knowledge of workplace rights and obligations and get tailored help where they identify gaps.

In December 2020, we released a visual template to help employers and their employees make a piecework agreement simply and easily under the Horticulture Award. The template uses simple images and text to help employees, particularly those with low literacy, better understand the rights and entitlements of a pieceworker under the award.

The template, available from the showcase, was downloaded 1,172 times in 2020–21. Showcase pages were collectively viewed 80,049 times during the period.

### Sham contracting resources

In February 2021, we launched new and updated sham contracting web content and resources to help our customers understand the differences between employees and independent contractors. The resources were informed by user research and testing and include:

- an enhanced webpage
- a redesigned fact sheet featuring a comparison table explaining the differences between employees and independent contractors, a step-by-step guide for employees who think they may be in a sham contracting arrangement and industry-specific case studies
- a new gig economy webpage providing advice about the Australian gig economy and information for gig economy workers.

In 2020–21, these resources were collectively viewed 122,215 times.

### Fast food, restaurants and cafés

In 2020–21, our website continued to provide industry-specific information for fast food, restaurant and café businesses and workers. A tailored section includes interactive tools and templates and covers common issues that employers and employees in the sector seek assistance with, such as:

- award coverage
- pay
- pay slips and record-keeping.

The content and interactive tools were regularly updated during the year to reflect changes to workplace laws during the coronavirus pandemic, such as the inclusion of pandemic leave and the former JobKeeper scheme.

These pages were collectively viewed over 373,000 times in 2020–21.

### New resources for small business

We designed and delivered a range of new resources to help small business understand their workplace rights and obligations. These included:

- a revised suite of best practice guides to make it easier for employers to implement productive and cooperative workplace relations
- an enhanced record-keeping and pay slips online course.

Working as part of the cross-government Employing Your First Person Taskforce, we also contributed to the design and delivery of business.gov.au resources, including the:

- hiring employees checklist
- employment contract tool.

### Changes to casual employment

In response to legislative amendments in relation to casual employment, we developed new web content and the Casual Employment Information Statement.

The resources include information on:

- the new legislated definition of a casual employee
- the process and rules for conversion of a casual employee to a permanent employee.

Employers need to give their casual employees the statement before, or as soon as possible after, they start a new job.

The Casual Employment Information Statement was published on 29 March 2021. As of 30 June 2021, the Statement had been downloaded 116,856 times and the webpages had been viewed 543,383 times.

### In-language information

We provide professionally translated in-language information in 30 languages, which includes downloadable resources and videos.

In 2020–21, we launched a series of in-language education videos targeted at addressing workplace issues commonly seen in emerging franchises.

Our Anonymous Report tool is also available in 16 languages (in addition to English). Further information about anonymous reports is detailed in Investigations and activities.

As at 30 June 2021, our in-language resources had been viewed over 218,000 times.

To ensure users have access to the information they need, our website has an auto-translation tool, which translates most pages on our website into 36 languages. In 2020–21, over 227,000 website pages were translated using the auto-translation tool. The most translated pages related to pay and minimum wages.

Table 2: Website translation tool most popular languages, 2020–21

Language	Number of pages translated
Simplified Chinese	92,335
Korean	27,811
Japanese	22,706
Spanish	18,663
Thai	9,057

### Online education and compliance tools

Our online tools have been developed to educate employers and employees about their workplace obligations and entitlements and to empower them to resolve issues. We saw consistent or increased usage of our online tools again in 2020–21.

Our Pay and Conditions Tool (PACT) was viewed over 4.7 million times and processed 5,808,499 calculations.

Our Find My Award tool, which helps customers identify which award applies to them or their workplace, was also used over 1 million times.

Our fact sheets and best practice guides, which provide information on workplace relations topics and best practice advice for small business employers, were collectively viewed over 3.9 million times.

Our interactive templates (online forms that employers and employees can fill out to generate a tailored template letter) were collectively downloaded over 52,600 times, a more than 100% increase from 2019–20. Additionally, our other templates were downloaded over 462,700 times.

Our Online Learning Centre, which provides free interactive online courses that teach skills and strategies to assist employers and employees work better, continued to increase in popularity. Users commenced 54,341 online learning courses, up 14% from 2019–20. The most popular courses included:

- record-keeping and pay slips
- diversity and discrimination
- starting a new job
- difficult conversations in the workplace – employee and manager courses.

Our Record my hours smartphone app, which uses geofencing technology to assist employees record their hours of work, was also downloaded 15,593 times.

### Behavioural economics

During the 2020–21 financial year we continued to partner across government and with industry experts to deliver behaviourally informed communication initiatives

We worked with the Behavioural Economics Team of the Australian Government (BETA) to publish: *The workplace experience of hospitality apprentices*<sup>3</sup>. This report details the findings of a randomised controlled trial we ran to test the impact of a series of behaviourally informed education messages about workplace rights and entitlements. The report found there was high engagement by the hospitality apprentices and employers involved, with average click-through rates on links up to 5 times higher than global benchmarks for the government sector.

We also partnered with Monash University's BehaviourWorks Australia to:

- scale up and evaluate our pilot workplace rights quiz for international students. This project is part of our response to Recommendation 2 of a report by the Migrant Workers' Taskforce,<sup>4</sup> which encourages the FWO to use 'behavioural approaches' to encourage migrant workers to take action if they believe they're being underpaid.
- conduct research to understand behavioural barriers to employers successfully returning employees to work in a compliant way. The research has informed our COVID-19 education and communication material. We will continue to use the results to identify new education solutions and opportunities to enhance existing tools and resources.

### Online enquiries

In 2020–21, we answered 47,113 online enquiries via My account, web chat, email, Facebook, LinkedIn and Twitter.

My account, our online customer portal, allows customers to:

- send general enquiries about workplace issues
- save website pages and wage calculations
- receive communications and information tailored to their industry
- undertake online learning courses.

We answered 34,295 My account enquiries (73%), most of which came from employees and their representatives.

Most enquiries came from the following industries:

- health care and social assistance (13%)
- professional, scientific and technical services (11%)
- accommodation and food services (11%)
- retail trade (9%).

We answered 10,564 enquiries over web chat and email and an additional 2,254 enquiries through our Facebook, LinkedIn and Twitter accounts.

Our Facebook followers grew by 13% over the year to 172,935 at 30 June 2021. Our Twitter account had 20,981 followers, an increase of 3%. We also saw strong LinkedIn follower growth, with a 36% increase to 49,501 followers.

### Email subscription services

During the year, we shared 57 email updates and newsletters, sending out over 3.8 million emails to our subscriber base of over 593,000. We achieved an overall open rate of 38% (the average open rate for government emails sits at around 31%<sup>5</sup>).

Subscribers can opt-in to receive email updates on various topics, including:

- pay rates and entitlements
- new products and resources
- industry and award-specific updates.

## Advice, education and dispute resolution services

### Phone services

Our advisers answered over 375,900 calls in 2020–21, with most calls coming from employees or their representatives (69%).

Our dedicated Small Business Helpline answered 67,692 of those calls. The most common enquiry types for the Small Business Helpline were:

- entitlements
- wages
- termination.

Table 3: Calls answered, 2018–21

Phone Service	2020–21	2019–20	2018–19
General Business Helpline*	308,229	345,699	301,725
Small Business Helpline	67,692	78,556	81,481
Total (Fair Work Infoline)	375,921	424,255	383,206

\*This includes 46,276 calls answered by our coronavirus hotline.

### Education and dispute resolution services

The FWO assesses each request for assistance involving a workplace dispute, including the circumstances and issues, on a case-by-case basis. We may provide education and advice to assist parties resolve instances of potential non-compliance before they escalate into formal disputes. This approach helps maintain productive, harmonious and cooperative employment relationships and enables the faster recovery of unpaid wages.

In 2020–21, we completed 14,495 workplace disputes (78% of all disputes) through our education and advice services. Our survey indicated that customers were very satisfied with our services.

<sup>3</sup> BETA, *The workplace experience of hospitality apprentices*, <https://behaviouraleconomics.pmc.gov.au/projects/workplace-experience-hospitality-apprentices>

<sup>4</sup> Australian Government, *Report on the Migrant Workers' Taskforce*, [https://www.ag.gov.au/sites/default/files/2020-03/mwt\\_final\\_report.pdf](https://www.ag.gov.au/sites/default/files/2020-03/mwt_final_report.pdf)

<sup>5</sup> Australia email benchmarks (2021): *By day and industry*, Campaign Monitor, viewed 2 August 2021, <https://www.campaignmonitor.com/resources/guides/australia-email-marketing-benchmarks>



We provide tailored advice in response to the issues raised and the needs of the customer in order to promote compliance with workplace laws. This can include discussions with one party or both parties, with a focus on:

- supporting parties to have effective workplace conversations to resolve workplace issues
- providing information and education in relation to workplace rights and obligations
- referring a matter to an inspector for possible issuing of a compliance notice or a broader investigation.

## Investigations and activities

### 2020–21 Compliance and enforcement priorities

In mid-2020, the FWO publicly announced its compliance and enforcement priorities for 2020–21:

- supporting workplaces through COVID-19
- large corporate underpayments
- fast food, restaurants and cafés (FRAC)
- horticulture
- franchise arrangements
- sham contracting.

These priorities guided our investigations and activities for the financial year, allowing us to strategically focus our resources on issues and sectors that our operational data, intelligence and experience indicate have the highest risk of non-compliance.

While supporting workplaces through the COVID-19 pandemic and prioritising the 5 high-risk sectors and issues, our approach has been to:

- prioritise matters that involve vulnerable workers
- prioritise small business employers and employees
- provide and promote the FWO's advice and resources
- monitor and enforce compliance broadly, including by:
  - treating each matter on its merits
  - exercising discernment and prudent judgment, taking account of the public interest
  - responding in a fair, reasonable and proportionate manner
  - making decisions based on evidence.

### Investigations in response to requests for assistance

In 2020–21, we conducted 4,201 investigations into more complex or significant matters (involving vulnerable workers, serious non-compliance and/or uncooperative employers) in response to requests for assistance involving a workplace dispute. This is a 77% increase in investigations conducted compared with the previous financial year. From these investigations, we recovered over \$28.7 million in underpayments.

### Compliance activities

Our compliance activities target priority industries, geographic regions and businesses with high levels and/or systemic risks of non-compliance.

These compliance activities allow us to:

- verify our intelligence by targeting priority industries, sectors and businesses with high risk of non-compliance
- better understand the drivers of non-compliance
- provide targeted education, information and advice to non-compliant businesses
- develop strategies for sustained behaviour change

- recover wages for underpaid employees.

In 2020–21, as part of our proactive compliance activities, we investigated 874 workplaces and recovered \$5,837,773 in unpaid wages.<sup>6</sup> The accommodation and food services industry featured the most in these activities (28%), followed by retail (9%).

Audits of 698 workplaces were completed during the year. The overall non-compliance rate found through audits for the year was 81%, with the most common contraventions relating to:

- hourly rate underpayments (13%)
- penalty rates for weekend work (9%)
- annual leave (9%).

Compliance and contravention rates for targeted audits do not necessarily indicate general rates of compliance across all Australian workplaces. FWO compliance activities target industries or geographic areas where our intelligence indicates that compliance risks are present.

### FWO Notices

A FWO Notice is a written notice issued under the Fair Work Act during certain investigations that can compel a person to:

- give information to the FWO
- produce documents to the FWO
- appear before the FWO at a specific time and place to answer questions relevant to an investigation.

The Administrative Appeals Tribunal issues a FWO Notice on application by the FWO, where they agree that there are reasonable grounds to believe the person receiving the notice can assist the FWO's investigation.

Failure to comply with a FWO Notice can result in court-ordered penalties.

In 2020–21, 4 FWO Notice examinations were conducted where avenues to obtain evidence were exhausted, inappropriate, or an investigation was impeded.

### Anonymous reporting

Our Anonymous Report tool lets members of the community notify us if they suspect a business or individual is breaching workplace laws.

The intelligence we collect from anonymous reports, combined with other operational data and research, helps to inform and improve our targeting for compliance activities.

The tool is available in 16 languages (in addition to English). This enables more migrant workers, one of our most vulnerable cohorts, to report workplace issues anonymously to us in their language.

In 2020–21, we received 14,109 anonymous reports. Of these reports, 620 were in languages other than English.

In line with previous years, the highest number of reports was from the hospitality industry (including fast food, restaurants and cafés), accounting for 36% of all reports received in 2020–21. The next highest industries were retail (14%) and building and construction (6%).

The top languages reports were made in, other than English, were:

- Simplified Chinese (41%)
- Traditional Chinese (17%)

<sup>6</sup> The total number of compliance activities includes all FWO-initiated activities, including local initiatives, inquiries and other FWO-initiated matters.

- Korean (13%)
- Japanese (10%).

The highest number of in-language anonymous reports was received from the hospitality industry, totalling 46% of all in-language reports.

This was followed by:

- food manufacturing and processing (14%)
- retail (10%)
- agriculture (7%).

## Large corporate underpayments

The agency continued to receive self-reports of non-compliance from employers in 2020–21, including from large corporate entities. We completed investigations into 49 self-reported matters. Self-reported non-compliance matters resulted in back-payments of over \$100 million in total, covering more than 54,500 employees.

Across these matters, the non-compliance was largely driven by ineffective governance and systems of internal controls to monitor, detect and address non-compliance with workplace obligations. In many cases we observed complacency about workplace obligations. Examples include:

- ineffective and outdated manual processes for recording hours of work, or not keeping records of time worked at all for employees covered by Fair Work instruments
- failing to apply an enterprise agreement to all employees it covers
- failing to implement, or using a different approach to, the terms of an enterprise agreement
- applying annualised salaries that don't cover the award rates for the hours being worked by employees in practice, or 'setting and forgetting' annualised salary amounts that become insufficient over time to meet minimum entitlements
- no, or poor, mechanisms for checking payroll compliance or completing annual reconciliation requirements
- decentralised and ad hoc approaches to managing payroll within organisations
- failing to invest in payroll and/or workplace relations expertise when setting up payroll systems or implementing pay rules for new or changed entitlements
- a lack of governance and compliance policies, or lack of assurance mechanisms by Boards and senior leaders, to treat wages compliance as a significant compliance risk.

We investigate each self-report of non-compliance made by a large corporate entity. To respond to this large and complex body of work we redeployed internal resources, including inspectors and lawyers, to a specialised Large Corporates Branch.

Additional Government funding of \$22.3 million, announced in December 2020, is assisting the branch to deliver a greater number of targeted compliance and enforcement outcomes. It will also enable us to enhance how technology and external expertise are used to investigate large corporate underpayments.

In response to self-reports (and media reports) of underpayments by Australian universities, we commenced a strategy to address non-compliance in the higher education sector. The strategy involves:

- engaging with relevant government agencies and peak university bodies to raise concerns about non-compliance in the sector, promote the FWO's resources and encourage all universities to review their compliance with workplace laws and address all underpayments as soon as possible
- contacting universities directly seeking assurances that they are compliant

- investigating instances of non-compliance, with investigations into 10 universities ongoing as of 30 June 2021.

We encourage all businesses to cooperate with us to rectify their non-compliance; so far, all of those who have self-reported to us have engaged in remediation activities.

In 2020–21, we entered into 17 enforceable undertakings (EUs) with businesses who self-reported non-compliance to ensure all back-payments to employees are made as quickly as possible and the issues that led to their non-compliance are addressed.

Terms requiring the employer to meet the cost of having their underpayments investigated and verified by experts, under the supervision of the FWO, are included in 8 of these EUs. This is so that the primary burden of calculating underpayments is placed on the employer rather than the taxpayer.

The FWO can and does take litigation action under the Fair Work Act where employers fail to comply with requirements under an EU. We may also use litigation (and our other enforcement tools) in response to these matters, where it is in the public interest to do so.

In 2020–21, we commenced legal action against Woolworths Group Limited and Woolworths (South Australia) Proprietary Limited, in relation to major underpayments of salaried managers.<sup>7</sup>

In 2019, the supermarket operator disclosed that it had underpaid thousands of salaried employees. Despite back-payments being made, we allege that a total of \$713,395 of underpayments remains outstanding.

We are seeking court orders for Woolworths Group Limited to rectify the total outstanding underpayments in relation to the 70 managers whose records were assessed, and for both companies to then apply those calculation methods to rectify any underpayments owed to all other affected salaried managers, plus interest and superannuation.

## Fast food, restaurants and cafés

The fast food, restaurants and cafés (FRAC) sector is one of the FWO's key compliance and enforcement priorities, due to its disproportionately high levels of non-compliance and its vulnerable workforce.

The hospitality industry remains the industry with the highest number of disputes we assist with each year. It also made up one-third (36%) of all anonymous reports we received in 2020–21 (twice the number for the second-highest industry, retail). Within this industry, the highest rates of non-compliance are found in the FRAC sector. In 2020–21, this sector alone accounted for 36% of our total litigations initiated.

Our FRAC Strategy seeks to address the systemic non-compliance in this sector. It employs a multi-pronged approach, including engagement, education and enforcement activities, to improve compliance levels in this sector.

As part of the strategy, we ran a communications campaign in May 2021 to raise awareness of pay and entitlements by promoting the FWO's Fast Food Industry Award interactive tool and Restaurant Industry Award interactive tool. The campaign was seen 7.9 million times across Facebook, digital display and Google search. For more information on these resources, see Online services (p.14).

<sup>7</sup> FWO media release, FWO takes action against Woolworths, 18 June 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/june-2021/20210618-woolworths-litigation-media-release>

We also continued to conduct compliance activities that targeted popular food precincts and FRAC franchises around Australia. This included surprise audits of:

- 50 businesses in and around the Gold Coast's Southport and Mermaid Beach food districts
- 56 restaurants, cafés and fast food outlets in Adelaide's Chinatown precinct.

We also finalised a range of compliance activities and enforcement outcomes against non-compliant FRAC businesses in 2020–21.

Some key examples include:

- finalising outcomes for 3 of our food precincts activities, which involved auditing a combined total of 138 businesses around the country. The activities:
  - found non-compliance rates of 84% (Melbourne), 88% (Brisbane) and almost 78% (Hobart) among FRAC businesses
  - recovered \$1,085,888 in wages for 931 workers
  - resulted in the issuing of 1 contravention letter, 73 infringement notices, 19 formal cautions, 76 compliance notices and the initiation of 2 litigations, with litigation also being considered in relation to another business.
- finalising outcomes in our Top Juice compliance activity, with 9 stores in Sydney, 3 in Melbourne and 1 each in Brisbane, Canberra, NSW's Central Coast and Wollongong audited. The activity:
  - found a non-compliance rate of 44% for the 16 outlets audited
  - recovered \$32,435 in unpaid wages for 18 workers
  - resulted in the issuing of 1 formal caution, 2 infringement notices and 5 compliance notices.

In 2020–21, we initiated 27 FRAC sector litigations and secured a total of \$1,841,347 in court-ordered penalties against non-compliant companies, business owners and their accessories in this sector.

In one matter, we secured a total of \$309,750 in penalties in response to a migrant employee being underpaid almost \$70,000 and records being falsified at a Melbourne Chinese restaurant.<sup>8</sup>

## Horticulture

The horticulture industry has a number of characteristics that, based on our operational data and intelligence, make the sector a high risk for non-compliance. These include:

- the nature of the work (often low-skilled and seasonal)
- the way labour is procured
- the type of people seeking work (often visa holders looking to meet visa requirements).

Our Horticulture Strategy, informed by our Harvest Trail Inquiry Report (November 2018), aims to build a culture of compliance in the horticulture and viticulture sectors. This is being achieved through engagement, education and enforcement activities.

A key part of the strategy is the provision of industry-specific information, tailored resources and self-help tools for employers and employees. In 2020–21, we added a visual piecework agreement template for horticulture employers to our horticulture digital showcase. For more information on the showcase, see Online services (p.14).

In April 2021, we delivered a communications campaign to promote the visual piecework agreement. The campaign was seen 4.5 million times on Facebook, LinkedIn, digital display and Google search.

We also ran a communications campaign in November 2020, to promote our 'explainer' video on supply chains in the horticulture industry. The video was created in response to Harvest Trail Inquiry findings. Campaign messages were seen over 2.6 million times on Facebook and LinkedIn.

Another key element of the Horticulture Strategy is working with stakeholders to build a culture of compliance in the sector and enhance the frameworks that govern the industry. To this end, we:

- worked closely with an external industry reference group, comprising major employer and employee organisations, retailers and growers, who provided their expertise and industry knowledge on the sector
- continued to support the Pacific Labour Scheme and Seasonal Worker Programme, including by providing educative resources and advice to seasonal workers and participants
- discussed and shared the horticulture sector's concerns about the COVID-19 pandemic with relevant departments, including the Department of Home Affairs, the Department of Agriculture, Water and the Environment and the Department of Foreign Affairs and Trade
- worked closely with the ATO's Phoenixing Taskforce in assessing whether any directors of the 162 no longer operating entities that were found to be non-compliant during the nation-wide Harvest Trail Inquiry present a compliance risk.

We also continued to monitor workplace compliance in the horticulture industry, with Fair Work Inspectors assessing over 260 businesses connected with the harvesting of various crops during 2019–20 and 2020–21.

Some key outcomes of these investigations include:

- 83 businesses found to be non-compliant during our Harvest Trail Inquiry still operating in the sector and employing staff. The activity:
  - found 38 of these 83 businesses were non-compliant
  - recovered \$64,134 in unpaid wages for 279 workers
  - resulted in the issuing of 7 infringement notices.
- a review of 14 labour hire providers and 2 growers operating in Queensland's Wide Bay and Moreton Bay regions:
  - recovered \$5,591 in unpaid wages for 39 workers
  - resulted in the issuing of 1 letter of caution, 2 infringement notices and 3 compliance notices
  - in Wide Bay, inspectors also checked on Seasonal Worker Programme employers, finding no breaches of workplace laws by these employers
  - in Moreton Bay, we referred 5 labour hire providers to the Queensland Government's Labour Hire Licence Compliance Unit, with all 5 later having their licences revoked.

While some investigations are continuing, inspectors have recorded an increase in the numbers of piece rate agreements being signed by workers, as well as improvements in record-keeping, especially among larger firms.

<sup>8</sup> FWO media release, Chinese restaurant in Melbourne penalised, 29 June 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/june-2021/20210629-china-bar-penalty-media-release>

## Franchisors

As a result of the Fair Work Amendment (Protecting Vulnerable Workers) Act 2017, franchisors can now be held legally responsible if their franchisees don't comply with workplace laws, unless they have taken reasonable steps to ensure compliance in their networks. What counts as reasonable steps will depend on several factors, including:

- the size and resources of the franchisor
- steps taken to support or train franchisees to comply with workplace laws
- whether there were procedures in place for handling complaints about possible breaches of workplace laws in the franchise
- whether the franchisor had any arrangements in place to monitor or assess the franchisee's compliance with workplace laws.

In 2020–21, 9% of all anonymous reports the FWO received related to franchises. Of these, the vast majority came from the hospitality (49%) and retail (35%) industries.

We have a range of resources to help franchisors and franchisees understand their workplace obligations and comply with workplace laws, including guides, dedicated web pages and videos.

In the last financial year, we ran a communications campaign aimed at educating migrant and culturally and linguistically diverse employers and franchisors about their obligations. The campaign was delivered in Mandarin, Arabic, Cantonese, Vietnamese, Korean and English. It was seen over 3.7 million times across Facebook, digital display and Google search.

In 2020–21, we released the findings of our investigation into salad, sandwich and coffee franchise Soul Origin. We recovered \$78,944 in unpaid wages for 230 workers after finding 83% of the stores and a manufacturing site were in breach of workplace laws.

A further \$112,420 in court-ordered penalties was secured against the operators of 4 'The Ironing Shop' franchise outlets in Brisbane after they paid a Chinese national wages as low as \$8 an hour and used false or misleading records.

Unlawfully low flat rates of pay also resulted in \$57,800 in penalties against a former Chatime bubble tea franchisee in Sydney that underpaid 17 workers.

## Sham contracting and misclassification

Sham contracting occurs when a person working as an employee is told they're an independent contractor when they're not. These types of arrangements can be set up by employers who are seeking to avoid responsibility for paying legal entitlements to employees, such as paid leave and superannuation. Underpayments can also occur due to the misclassification of workers as contractors.

Addressing the drivers of sham contracting and determining if an employment relationship exists is complex. There is no single determining factor, but rather a number of factors that can establish the difference between an employee and an independent contractor. The FWO uses various methods to detect suspected misclassification and sham contracting, including anonymous reports, intelligence gathering and data collection and analysis. We assess individual relationships on a case-by-case basis.

In 2020–21, our Sham Contracting Unit (SCU) completed 342 disputes relating to sham contracting and misclassification.

The unit recovered \$129,917 for 54 employees.

The outcomes of an investigation into cleaning operations at some of Australia's leading sporting venues were released in October 2020. The SCU recovered \$25,292 in unpaid wages for 270 employees following an investigation into cleaning arrangements at stadiums in Melbourne (AAMI Park), Canberra (GIO Stadium), Sydney (ANZ Stadium) and Perth (Optus Stadium).

SCU found 7 of the 9 cleaning companies investigated were non-compliant with workplace laws. Breaches included failures to correctly pay the minimum hourly rate, casual loading, and penalty rates for weekend, public holiday and overtime hours, and failures to provide pay slips.

While the stadium operators were not found to be involved in contravention of workplace laws, inspectors found layers of sub-contracting operating without appropriate checks and balances to ensure workplace relations compliance. Inspectors also found poor record-keeping practices at the bottom of sub-contracting supply chains. No sham contracting or misclassification of employment was found.

We also recovered \$389,982 in unpaid wages for 163 security guards following an investigation into 19 businesses in Queensland. The investigation was commenced after intelligence – including anonymous tip-offs and job advertisements – raised concerns that some guards may have been incorrectly engaged as independent contractors rather than employees.

We found a non-compliance rate of 53%. The most common breaches of workplace laws related to underpayments of weekend penalty rates and the minimum rate for ordinary hours. No evidence of sham contracting was identified.

Our website provides tailored resources to educate businesses and workers on their rights and obligations and outlines key differences between employees and independent contractors, including a dedicated web page for independent contractors and a downloadable fact sheet. For more information about these resources see Online services (p.14).

In April 2021, we ran a communications campaign to educate workers in industries disproportionately affected by sham contracting and misclassification, including the cleaning, security and gig/sharing economy sectors. The campaign promoted FWO's digital sham contracting information and resources. The campaign was seen over 5.4 million times across Facebook, LinkedIn and digital display.

## Vulnerable and migrant workers

Vulnerable workers remain a key priority. Employees can be vulnerable to exploitation due to a range of characteristics, including age, disability, ethnic or cultural background and language barriers.

Migrant workers continue to be over-represented in the FWO's work, due to their limited knowledge about Australia's workplace rights and entitlements, and language and cultural barriers. While they make up only 4% of the Australian workforce,<sup>9</sup> in 2020–21 migrant workers accounted for:

- 19% of disputes completed
- 20% of anonymous reports received

<sup>9</sup> Department of Home Affairs: The numbers of visa holders in Australia are derived from: DHA, Temporary Visa Holders in Australia, published on Data.gov.au, as at 31 May 2021. The approximate proportion of total workforce who are visa workers is indicative only. It has been derived from dividing the number of visa holders with work rights by the labour force at the same point in time. The Labour force have been sourced from the ABS Labour Force Survey (employed persons (Seasonally adjusted) May 2021: 13,125,100, June 2020: 12,353,300, June 2019: 12,854,700, Jun 2018: 12,575,300) Australian Bureau of Statistics, Labour Force, Australia, Nov 2020, cat. no. 6202.0., <<http://www.abs.gov.au/ausstats/abs@/nsf/mf/6202.0>>



- 32% of litigations initiated.

We continued to prioritise addressing the exploitation of vulnerable and migrant workers through education, engagement and enforcement activities. Key activities in 2020–21 included:

- using enforcement tools to deal with the most serious cases of non-compliance against this cohort. In 2020–21, we:
  - secured \$2,082,051 in court-ordered penalties for migrant workers and recovered \$824,443 in unpaid wages. More than \$1.2 million of the penalties involved contraventions under the Fair Work Amendment (Protecting Vulnerable Workers) Act 2017
  - achieved a court-ordered penalty under the ‘serious contraventions’ provisions of the Protecting Vulnerable Workers laws, including against a former café franchisee and general manager, and against a toy company and its sole director. See Litigation (p.22) for more information
  - issued 147 compliance notices, 68 infringement notices and 5 formal cautions for breaches involving migrant workers. In a key example, we issued 20 compliance notices, 34 infringement notices and 2 formal cautions during our proactive national investigation of 51 fast food outlets, restaurants and cafés employing Korean workers – \$161,551 in unpaid wages was recovered for 284 workers.<sup>10</sup>
- continuing to improve the accessibility of our workplace rights information, by adding more professionally translated material to our website. For more information on these resources, see Online services (p.14)
- continuing to work with the Department of Home Affairs on the visa assurance protocol as a means of encouraging migrant workers to report workplace exploitation. Under the protocol, a worker’s temporary visa won’t be cancelled if they have not complied with the work-related visa conditions, have sought our assistance with workplace issues and meet other criteria, including committing to following visa conditions in the future
- supporting the Pacific Labour Scheme and Seasonal Worker Programme by conducting compliance activities and providing educative resources to seasonal workers and workplace relations advice to participants
- running communications campaigns to promote our resources, including English and in-language social media campaigns to promote our pay and conditions tool, new Casual Employment Information Statement and resources for Aboriginal and Torres Strait Islander employers and employees
- delivering numerous training workshops to intermediaries such as community organisations, education providers and student ambassadors, who then share the information they’ve learnt through their networks and communities
- contributing as a member of the Migrant Workers’ Interagency Group and assisting with progressing the recommendations of the Migrant Workers’ Taskforce
- participating in forums and networks, and working collaboratively with other government bodies to combat human trafficking and slavery-like practices.<sup>11</sup> This includes reporting suspected human trafficking and slavery cases to the Australian Federal Police and sharing information about our work through the Interdepartmental Committee on Human Trafficking and Slavery and the National Roundtable on Human Trafficking and Slavery.

## Enforcement outcomes

We use our statutory enforcement tools for cases of serious or widespread non-compliance and for matters in the public interest. This involves an assessment of whether any proposed compliance activity would be an efficient and ethical use of public resources. We also consider our strategic priorities as part of our approach.

Examples of where we may use our enforcement tools include:

- blatant disregard of the law
- the exploitation of vulnerable workers
- systemic issues of non-compliance, where there is a need for specific deterrence.

In 2020–21, we used our enforcement tools in 2,633 cases, a 62% increase from the previous year. This figure includes:

- infringement notices
- compliance notices
- court-enforceable undertakings
- litigations.

Table 4: Enforcement outcomes, 2018–21

Enforcement outcome	2020–21	2019–20	2018–19
Infringement notices issued	513	603	563
Compliance notices issued	2,025	952	274
Enforceable undertakings executed	19	12	17
Litigations commenced	76	54	23

### Infringement notices

Infringement notices are on-the-spot fines we issue to employers for breaching record-keeping and pay slip requirements. Before issuing a notice, we consider:

- the employer’s previous compliance history
- the degree to which their lack of record-keeping impacts our ability to find, calculate and recover entitlements.

In 2020–21, we issued 513 infringement notices, with payments totalling \$518,396.

### Compliance notices

Compliance notices require a person to take specific action to fix alleged breaches of the Fair Work Act. We can issue a notice if we form a reasonable belief that a person or business has contravened workplace laws.

Compliance notices are an efficient tool for addressing and rectifying suspected breaches and ensuring underpaid wages are quickly back-paid to employees.

Compliance notices are now our primary enforcement tool to respond to underpayment matters, with the exception of complex, deliberate or serious cases of non-compliance. Our increased use of compliance notices is consistent with the FWO’s obligation to efficiently and effectively perform our statutory functions.

In 2020–21, we issued 2,025 compliance notices and recovered more than \$16.5 million in unpaid wages. This compares with 2017–18 where we issued only 220 compliance notices and recovered \$0.95m.

We take non-compliance with compliance notices seriously. If a person or business fails to comply with a compliance notice in accordance with the statutory requirements, we will take court action to enforce it.

<sup>10</sup> FWO media release, Over \$160,000 recovered in Korean worker audits, 25 September 2020, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2020-media-releases/september-2020/20200925-korean-frac-report-media-release>

<sup>11</sup> While human trafficking offences don’t fall within our remit, we understand that through our work we may interact with victims and perpetrators of human trafficking and slavery.

For example, we secured \$30,870 in penalties against the operators of a Perth manufacturer for failing to comply with a compliance notice requiring the company to calculate and back-pay amounts owing to a migrant employee.<sup>12</sup> In addition to the penalties, the court ordered that the actions required by the compliance notice be completed.

In 2020–21, we commenced 57 proceedings that included contraventions for failing to comply with a compliance notice – 75% of the litigations we commenced. See Litigation (p.22) for more information.

## Enforceable undertakings

Enforceable undertakings (EUs) are court-enforceable, legally binding arrangements where employers admit liability, express contrition and agree to fix any breaches and commit to ongoing compliance.

Where businesses fully cooperate, EUs are an effective enforcement tool to return wages to employees in a timely and cost-effective way.

EUs can also deliver outcomes that are not available via other enforcement tools, such as:

- recovering wages outside the 6-year statutory limitation period for court orders for unpaid wages
- independent payroll audits for the life of the EU, paid for by the business
- establishing robust mechanisms to achieve ongoing compliance, such as new payroll systems, improved governance, management and staff training and hotlines to report concerns
- public apologies
- contrition payments.

In 2020–21, we entered into 19 EUs, a 58% increase from the previous year. Of these, 17 related to self-reported non-compliance by large employers. We recovered over \$81.7 million in back-payments through our EUs. For more information on our activities relating to self-reported non-compliance, see Large corporate underpayments (p.18).

We also commenced litigations against 2 employers for failing to comply with the terms of an EU.

Copies of the FWO's EUs are publicly available on our website, to ensure transparency and serve as a deterrent for non-compliance.

## Litigation

We reserve litigation for serious cases of non-compliance and misconduct, and in cases where we believe it will have the most impact. For example, we may litigate in matters involving:

- a deliberate and/or repeated breach of workplace laws
- exploitation of vulnerable workers
- failure to cooperate with us and fix contraventions after being given the opportunity to do so
- parties with a prior history of contraventions who have not taken adequate steps to ensure compliance despite being advised of consequences in the past.

In 2020–21, we initiated 76 litigations, a 41% increase from the previous year. This included proceedings against Woolworths with respect to 16 alleged contraventions relating to underpayments of salaried managers. For further details on this matter, see Large corporate underpayments (p.18).

We also secured \$2,857,501 in court-ordered penalties (\$2,213,375 against companies and \$644,125 against individuals). Of these, more than \$1.2 million related to 7 matters involving contraventions under Protecting Vulnerable Workers laws.

We achieved several significant litigation outcomes in matters where there was a high level of public interest.

### Serious contravention provisions penalty judgments

We secured penalties under the 'serious contraventions' provisions of the Protecting Vulnerable Workers laws after a former Han's Café franchisee in Perth underpaid vulnerable workers despite having previously faced court for similar conduct.<sup>13</sup>

The Federal Circuit Court ordered Tac Pham Pty Ltd, the former franchisee of the Han's Café Rockingham outlet, to pay penalties of \$191,646. The former general manager of the outlet was ordered to pay \$38,394. Of the total penalties ordered, 80% related to serious contraventions.

The company and general manager breached payslip obligations and underpaid 11 employees – including a number of young and migrant workers – a total of \$5,111 between October 2017 and April 2018. Three of the contraventions met the definition of 'serious contraventions' under the Protecting Vulnerable Workers laws because of the repeat offending.

In another matter, we secured penalties totalling \$256,000 against IE Enterprises Pty Ltd (which operated 'Uncle Toys' pop-up stores in Melbourne shopping centres) and its sole director for 11 contraventions, including 5 'serious contraventions'.<sup>14</sup>

In total, 8 young visa holders were each deliberately underpaid between \$395 and \$5,041, with rates as low as \$6.70 per hour paid and some employees not paid for all hours worked. Record-keeping and payslip obligations were also breached.

The Federal Court imposed a \$215,000 penalty on IE Enterprises, and an additional \$41,000 penalty on the owner and manager of the company.

### Successful defence of High Court special leave application

We successfully defended an application by Spotless Service Australia Limited for special leave to appeal to the High Court. The High Court dismissed the application and upheld the Full Federal Court's finding that Spotless could not rely on the ordinary and customary turnover of labour exception in section 119 of the Fair Work Act 2009 (Cth) to avoid paying 3 employees redundancy pay. The High Court also awarded costs to the FWO.

<sup>13</sup> FWO media release, Perth franchisee penalised \$230,040 for repeat offending, 13 November 2020 <https://www.fairwork.gov.au/about-us/news-and-media-releases/2020-media-releases/november-2020/20201113-tac-pham-penalty-media-release>

<sup>14</sup> FWO media release, Melbourne retailer penalised for deliberate breaches, 12 February 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/february-2021/20210212-uncle-toys-penalty-media-release>

<sup>12</sup> FWO media release, Perth mat manufacturer penalised, 19 February 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/february-2021/20210219-matcraft-penalty-media-release>

### Priority sectors and cohorts

We achieved significant litigation outcomes in our priority sectors, including the fast food, restaurants and cafés sector, and for vulnerable workers.

We secured a total of \$309,750 in court-ordered penalties in the matter of Fair Work Ombudsman v China Bar Buffet Pty Ltd. This was ordered in response to a migrant employee being underpaid almost \$70,000 and records being falsified at a Melbourne Chinese restaurant.<sup>15</sup>

In another restaurant matter, we secured a \$170,100 penalty against Domain Botanical Business Pty Ltd (which operates an Italian eatery in Melbourne) and \$34,020 against the company's sole director.<sup>16</sup> The company admitted to having underpaid 40 employees a total of \$53,850. It also did not provide adequate meal breaks, failed to keep records including time records, and did not undertake required reconciliations for full-time annualised salary employees.

We also secured \$210,000 against the former operators of a petrol station on the NSW Central Coast. The director and manager underpaid 2 Indian nationals a combined \$52,722 over a 15-month period.<sup>17</sup> One employee was paid nothing for their first 3 months' work. The director was also found to be in breach of the Fair Work Act's prohibition on unreasonable requirements to pay an employer money relating to performance of work. The director required one of the workers to cover the loss from a customer who drove off without paying for fuel, and to pay part of his income tax payments relating to that employee's work.

### Gender equity in briefings

We remain committed to the Law Council of Australia's Equitable Briefing Policy, which aims to improve gender equality in the number of briefs issued to barristers across the country. In 2020–21, the FWO briefed female counsel 42 times and male counsel 23 times.

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<sup>15</sup> FWO media release, Chinese restaurant in Melbourne penalised, 29 June 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/june-2021/20210629-china-bar-penalty-media-release>

<sup>16</sup> FWO media release, Restaurant operators penalised \$204,120, 1 June 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/june-2021/20210601-gilson-restaurant-penalties-media-release>

<sup>17</sup> FWO media release, Over \$200,000 penalties for former petrol station operators 10 February 2021, <https://www.fairwork.gov.au/about-us/news-and-media-releases/2021-media-releases/february-2021/210210-sinpek-penalty-media-release>





# 03: ROC performance report

Review by the Commissioner	27
Registered Organisations Commission annual performance statement	29
Agency purpose	29
Results	29
ROC priorities and activities: driving and influencing compliance	30
Our purpose, functions and priorities	30
How we influence organisations	30
The ROC's regulatory role	35

## Review by the Commissioner



*Pictured: Mark Bielecki, Registered Organisations Commissioner*

The Registered Organisations Commission (ROC) is the independent regulator of federally registered employer and employee organisations. Our functions include promoting the efficient management of organisations and high standards of accountability of organisations and their office holders to their members, as set out in the Fair Work (Registered Organisations) Act 2009 (RO Act).

As at 30 June 2021, there were 99 federally registered organisations made up of 56 employer associations, 42 unions and one enterprise association in total, these entities comprised 395 branches, divisions and national offices across Australia. Registered organisations have reported to the ROC that in the 2020–21 financial year, cumulatively they had more than 2 million members, controlled more than \$3.3 billion in assets and collected annual revenue of almost \$1.7 billion.

The ROC is an agile regulator and is always responsive to stakeholder needs. We have continuously adapted to challenges presented by the COVID-19 pandemic for registered organisations, their branches and their members. Throughout 2020–21 we worked constructively and pragmatically with registered organisations, mindful they may have continued to encounter difficulties complying with some of their regulatory obligations due to the ongoing impact of the pandemic.

In response to the pandemic we have developed and continue to produce resources to help organisations with compliance. This has involved the ongoing digital transformation of many ROC resources, tools and systems to ensure they are easily accessible by organisations, both now and into the future. We aim to provide better services with greater flexibility, enhanced by digital technology, and this will continue to be a focus for the ROC in the coming financial year. In June 2021 we consulted with stakeholders about their needs to help inform future and ongoing digital transformation.

The ROC is focused on encouraging behaviours in registered organisations that see them consistently acting in the best interests of their members and ensuring their members' money is spent in a way that is transparent, properly authorised and complies with their obligations under the RO Act, and their rules. We seek to drive voluntary compliance with the RO Act by providing guidance, assistance and cooperative remediation. Each year we develop a national education strategy, based on stakeholder feedback, that outlines in advance our education initiatives for the financial

year ahead. In 2020–21 we delivered new initiatives through our education strategy, including online panel discussions, online masterclasses and e-learning modules in addition to a suite of resources such as fact sheets, guidance notes, newsletters and podcasts. We also produced our first compliance snapshot, which organisations and their branches can use to benchmark themselves against other organisations, and a compliance update about common issues we see around elections via whistleblower disclosures.

As well as helping registered organisations comply with the RO Act, the ROC is strongly committed to fostering cultures of good governance and financial transparency. Our monthly podcast, *ROCpod: Talking with the Registered Organisations Commission*, delivers a series of episodes branded 'Good Governance in Practice', which are aimed at providing practical guidance and actionable tips to organisations about incorporating best-practice governance structures into their everyday activities.

We also assist organisations by providing tailored one-on-one advice and courtesy reminders to help them to identify and meet compliance requirements, and we engage with them early to provide opportunities to correct errors or re-lodge information. We are a small and specialised regulator, with an average staffing level of 28.6 staff members, working across 3 functional areas: education and reporting, financial analysis, and compliance and enforcement. Each of these streams plays a key role in the effective regulation of registered organisations. The size of our team means that we are able to provide our stakeholder cohort with a personalised service as well as ready access to subject matter experts should the need arise.

One of the requirements of the RO Act – the need for organisations and their branches to rotate their registered auditor every 5 years – is due for some of our stakeholders. This requirement began when the ROC commenced on 1 May 2017. We have proactively engaged with our stakeholders about this by providing education resources and sending courtesy letters to organisations and their registered auditors.

In 2020–21 we finalised a review of compliance with section 293K of the RO Act, which requires office holders with financial duties to undertake approved financial training within 6 months of taking office. We carried out a voluntary audit of organisations to determine if relevant office holders had completed mandatory financial training. More than half (58%) of the 81 registered organisations that participated in the voluntary audit were found to be compliant with this statutory obligation. Of those found to be non-compliant, the vast majority (94%) agreed to a remediation plan. The ROC delivered an intensive education and awareness campaign around these requirements and continues to work with registered organisations to help them to understand and comply with their obligations around this statutory requirement.

The ROC's regulatory environment is complex and can be difficult for some stakeholders to navigate. We see many contraventions, which we aim to have rectified through voluntary remediation. We provide guidance, self-help tools and educational materials to assist registered organisations to better understand their compliance obligations, particularly where an error was inadvertent or there was a genuine attempt to comply. This facilitative approach helps us drive high levels of voluntary compliance with the RO Act. In the limited but serious cases involving, systematic, repeated, opportunistic or deliberate non-compliance, we take appropriate

enforcement action by using other regulatory tools available to us, including commencing proceedings in the Federal Court, to deter non-compliance with the financial reporting and accountability requirements of the RO Act. In 2020–21, 2 decisions in civil penalty proceedings we commenced were delivered by the Federal Court.

When the ROC commenced in May 2017, 24 referrals to the Fair Work Commission from the Trade Union Governance and Corruption Royal Commission (TURC) were transferred to the ROC. These referrals comprised more than 360,000 pages of documents and other supporting materials and have represented a significant body of work for the ROC since that time. In 2020–21, we concluded the last of these referrals – the final one had been in abeyance pending the completion of criminal proceedings.

An important decision was delivered in 2020–21, drawing a line under a lengthy legal process that had been brought against the ROC. In November 2020, the Full Court of the Federal Court, (including the Chief Justice) confirmed that the ROC had reasonable grounds to commence its investigation into the Australian Workers' Union (AWU) and its officers. That investigation related to alleged unauthorised donations made by the AWU between 2005 and 2007. The AWU's proceedings sought to prevent the ROC from continuing its investigation and to secure the return of the documents obtained by the Australian Federal Police during the execution of search warrants on the AWU's premises in Sydney and Melbourne. The Full Court decision unanimously overturned an earlier decision by a single judge who had decided the investigation was affected by jurisdictional error and was invalid. The Full Court held that the trial judge wrongly interpreted the ROC's powers in the RO Act; this finding enabled the ROC to recommence the investigation after a 3-year delay.

The 2020–21 year also brought unusual working circumstances for the broader Australian community, the APS in general and the ROC. The majority of the ROC's staff are based in Melbourne and were subject to an extended period of working from home orders by the state government during 2020 and 2021 as a consequence of the COVID-19 pandemic. Despite this, I'm pleased to say that by exercising our agility and responding to our operating environment, we have been able to successfully meet and deliver all of our KPIs for the 2020–21 year, and I'm extremely proud of the effort put in by my team in these challenging times.

The COVID-19 situation continues to be challenging for the ROC and its stakeholders alike. We're committed to remaining flexible, responsive and finding innovative solutions to our stakeholder needs.

Mark Bielecki



Registered Organisations Commissioner



# Registered Organisations Commission annual performance statement

I, Sandra Parker, as the entity's accountable authority, present the 2020–21 annual performance statement, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The statement is based on properly maintained records, accurately reflects the entity's performance, and complies with subsection 39(2) of the PGPA Act.

## Agency purpose

The ROC is responsible for improving the governance and financial accountability of registered employer and employee organisations through education, guidance (incorporating assistance and advice), regulation, monitoring, inquiries, investigation and appropriate enforcement.

## Results

Performance criteria	Indicator	Target	Achieved	Further information on results
The ROC improves the governance and financial accountability of organisations by regulating compliance with the RO Act.	Financial reports required to be lodged are assessed for compliance within 40 working days	95%	100%	Page 36
	Annual returns required to be lodged are assessed for compliance within 40 working days	95%	100%	Page 36
	Lodgements of prescribed information for an election are dealt with within 40 working days	95%	100%	Page 36
	Applications for registration by auditors are dealt with within 40 working days	95%	100%	Page 37
	Information to educate employee and employer registered organisations and their members is made available	Multiple items	34 major education activities	Page 30

## Analysis of performance against ROC purpose

As at 30 June 2021 there were 99 federally registered organisations comprising of approximately 395 branches, divisions and national offices. For the purposes of financial reporting, the ROC focuses on 334 reporting units. Under the RO Act, each reporting unit is required to lodge audited financial reports with the ROC. Since 2 May 2017, it has been a legislative requirement that auditors of the financial reports of reporting units are registered with the Commissioner.

Each registered organisation is also required to lodge an annual return of information (annual returns), and organisations and their branches are required to lodge prescribed information for elections (unless exempt). The accurate and timely assessment of these documents by the ROC is an important aspect of monitoring compliance with the RO Act by organisations. Publication of these documents by the ROC enables accountability to organisations' members and transparency to the wider community.

The ROC is pleased to report that through an agile and responsive approach, we have been successful in meeting all our KPIs. In practical terms, this means that we were able to assess 100% of financial reports, and annual returns, as well as processing 100% of applications for registration by auditors and prescribed information documents lodged for elections within the KPI of 40 working days.

We helped to promote improved compliance by fostering the governance and financial accountability of organisations through education and the provision of advice and assistance. In 2020–21 we engaged with registered organisations and their peak bodies in the development and delivery of a diverse and comprehensive range of education activities and resources. This engagement included feedback gathered through our day-to-day activities, annual education survey, a consultation session with stakeholders about digital transformation and their needs, and feedback solicited at the conclusion of workshops and webinars as well as via our website and email.

# ROC priorities and activities: driving and influencing compliance

## Our purpose, functions and priorities

The ROC's purpose is to monitor acts and practices to ensure they comply with the provisions of the RO Act, encouraging high standards of accountability among federally registered organisations (and their office holders) to their members and providing for the democratic functioning and control of organisations.

We aim to be valued by the community for the way we regulate and foster the efficient management and accountability of registered organisations. We do this by:

- educating, assisting and regulating federally registered organisations
- promoting effective governance and financial transparency
- investigating and taking appropriate enforcement action.

## How we influence organisations

### Education activities

The provision of compliance and governance education to registered organisations, supported by practical resources, is a priority for the ROC. Our education activities have been developed in consultation with organisations and their peak bodies and are continuously refined in response to feedback. Every year we publish a national education strategy that outlines the education activities we propose to undertake in the following financial year. The strategy enables organisations to plan ahead to meet their educational requirements.

In 2020–21, the ROC capitalised on the need to deliver more digital resources being fast-tracked by the COVID-19 pandemic and developed and released new education tools to assist organisations with compliance. This included interactive online panel discussions, online masterclasses and e-learning modules. Feedback from stakeholders has indicated more people are able to attend online sessions than face-to-face workshops. As a small regulator with a national reach, delivering digital resources helps make our education tools more accessible to registered organisations and their branches, no matter where they are in Australia.

We continued to deliver monthly episodes of our podcast series, *ROCpod: talking with the Registered Organisations Commission*. The podcast covers a range of topics relevant to registered organisations. We produced several episodes of the podcast as part of a 'Good governance in practice' series specifically aimed at helping organisations to improve their internal governance procedures. During the 2020–21 financial year, there were 12 podcast episodes recorded and made available online, with a total of 2,113 downloads of ROCpod episodes.

The ROC also released additional case summaries, written in plain English, on matters decided by the Federal Court involving both unions and employer associations. The aim of these summaries is to provide a simple and practical overview of the court's decisions so that registered organisations can learn from them.

We also published a compliance update about whistleblower (protected) disclosures concerning industrial elections – one of the most common types of whistleblower disclosures received by the ROC. This update was to assist registered organisations to identify and mitigate potential breaches of the RO Act or their rules so that elections are conducted appropriately.

The ROC website ([www.roc.gov.au](http://www.roc.gov.au)) continues to provide information and tools to assist organisations with compliance. In 2020–21, we received 227,260 visits to the website and 60,752 documents were downloaded (a 2.8% and 16.7% increase respectively on 2019–20). In June 2021, we held an online consultation session with stakeholders to gather feedback about our digital services and potential improvements that could be made.

There are 725 subscribers who receive email communications from the ROC, including our quarterly newsletters, educational material and event information.

The COVID-19 pandemic has meant that the ROC has been unable to deliver in-person workshops to stakeholders, which had been occurring prior to 2020. However, we have pivoted to deliver a series of online panel discussions in their place. Since the pandemic began, we have delivered 7 online panel discussions which have been attended by 190 people.

We also conducted 28 one-to-one meetings with organisations and peak bodies regarding compliance, allowing us to take a tailored, personalised approach to assisting those organisations.

In 2020–21, we delivered 34 major education activities through our national education strategy, targeted at organisations and their members. These campaigns covered topics including officer and related party disclosure statements, financial reporting, whistleblower resources, the importance of good governance, and elections.

**Table 5: ROC education activities provided to employer and employee organisations and their members July 2020 to June 2021**

Type of activity	Provided to
Online panel discussion: Officer and related party disclosure statements	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
e-learning module: Notifications of change	Employee and employer organisations and peak bodies
Podcast episode 12: Working together for an efficient election	Employee and employer organisations and peak bodies
Thirteenth edition of ROC quarterly newsletter	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Compliance update: Whistleblower disclosures	Employee and employer organisations and peak bodies
Podcast episode 13: Good governance in practice – holding meetings	Employee and employer organisations and their members, peak bodies and other stakeholders
Online panel discussion: Elections, questions and answers	Employer and employee organisations, peak bodies and registered auditors and other stakeholders
Plain English case summaries	Employee and employer organisations, peak bodies and registered auditors
Podcast episode 14: The ROC Toolbox	Employee and employer organisations, peak bodies and registered auditors

Type of activity	Provided to
e-learning module: Officer and related party disclosure statements	Employee and employer organisations, peak bodies and registered auditors
Hot topic: Compliance snapshot	Employee and employer organisations, peak bodies and registered auditors
Podcast episode 15: Good governance in practice – inducting new officers	Employee and employer organisations and peak bodies
Fourteenth edition of the ROC quarterly newsletter	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Online panel discussion: Officer financial training	Employer and employee organisations, officers, peak bodies and other stakeholders
Podcast episode 16: Interview with the RO Commissioner	Employee and employer organisations, peak bodies and registered auditors
Financial training audit final report	Employee and employer organisations and peak bodies
Podcast episode 17: Good governance in practice – conflicts of interest	Employee and employer organisations and peak bodies
Online panel discussion: Annual returns	Employee and employer organisations, peak bodies and other stakeholders
Podcast episode 18: Working together to assist registered organisations	Employee and employer organisations and peak bodies
Annual education survey	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Podcast episode 19: Election exemptions – what are they and how do they work?	Employee and employer organisations, peak bodies, and other stakeholders
Fifteenth edition of the ROC quarterly newsletter	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Hot topic: Rotation of auditors	Employee and employer organisations (and peak bodies) and registered auditors
Online masterclasses (replacement item for NSW in-person workshops)	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Podcast episode 20: Good governance in practice – creating a ‘speak up’ culture	Employee and employer organisations and peak bodies
Launch of financial reporting checklists	Employee and employer organisations, peak bodies and registered auditors
e-learning module: Whistleblower disclosures	Employee and employer organisations and peak bodies
Podcast episode 21: Lessons from the Federal Court	Employee and employer organisations and peak bodies
Sixteenth edition of ROC quarterly newsletter	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders
Online masterclasses (replacement for Victorian in-person workshops)	Employee and employer organisations, peak bodies and registered auditors
Re-release of the ROC Flower	Employee and employer organisations, peak bodies and other stakeholders
Podcast episode 22: Lodge on time, one time, every time	Employee and employer organisations and peak bodies

Type of activity	Provided to
Launch of the 2021–22 National Education Strategy	Employer and employee organisations, officers, members, peak bodies, registered auditors and other stakeholders
Podcast episode 23: Is it time to change your registered auditor?	Employer and employee organisations, officers, peak bodies, registered auditors and other stakeholders

## Assisting registered organisations during the COVID-19 pandemic

With the COVID-19 pandemic entering its second year, the ROC has continued to provide support and assistance, where necessary, to registered organisations and their branches. The ROC is committed to working constructively and pragmatically with the organisations we regulate, mindful that they may encounter difficulties with compliance due to the impacts of COVID-19. While the ROC’s offices have been closed to the public, the ROC itself has remained open and available to assist organisations that require advice, guidance or assistance with their compliance obligations.

During the pandemic we have been communicating regularly with our stakeholders via our subscriber list, as well as informally engaging with senior officers in a range of employee and employer associations to determine how the ROC could provide any additional assistance as a regulator.

## Promoting effective governance and financial accountability

In 2020–21, we promoted effective governance and financial accountability within organisations by:

- sending tailored reminders about upcoming statutory obligations
- assessing financial reports
- seeking to ensure all registered organisations’ auditors are registered
- approving financial management training for office holders.

## Reminders and alerts

As a discretionary service to registered organisations, the ROC actively emails specifically tailored reminders to them and to their reporting units prior to their obligations arising. This is designed to assist them with timely compliance. In 2020–21, we issued more than 1,753 such reminders and alerts, comprising:

- 614 reminders about the requirement to lodge an officer and related party disclosure statement
- 160 reminders about the requirement to lodge an annual return of information
- 442 reminders about the requirement to lodge a financial report
- 125 reminders to registered organisations about the registered auditor rotation requirements (as well as their auditors)
- 193 reminders about lodging statements of loans, grants and donations
- 52 reminders about the requirement to lodge information for an election
- 167 alerts about training for office holders.

## Assessment for compliance and publication for transparency

When assessing documents against compliance requirements (including annual returns of information, financial reports, election information and officer and related party disclosure statements), the ROC takes a risk-based approach, which is designed to direct resources to areas where the risk of non-compliance is highest.

In 2020–21, 1,919 regulatory matters were assessed and closed. There was a 17% decrease in matters lodged with the ROC in 2020–21 compared to the previous financial year. Most documents lodged by organisations are published on our website.

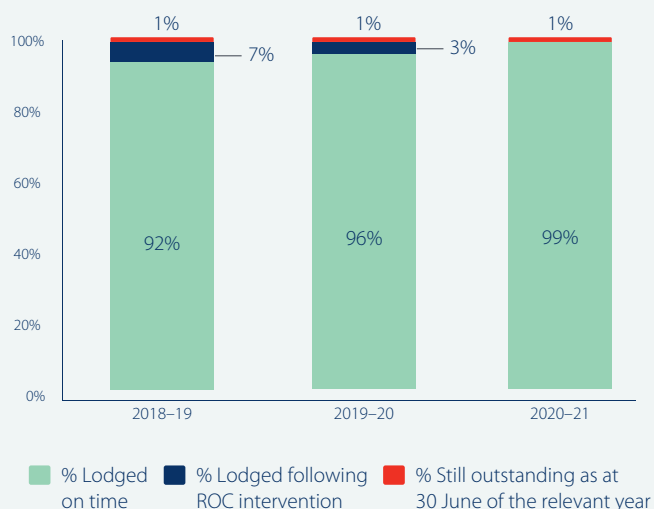
### Officer and related party disclosure statements

Organisations and branches are required to lodge a copy of their officer and related party (ORP) disclosure statement. ORP statements provide information about remuneration received by the 5 top-ranked officers of organisations and branches, including remuneration received by officers from a board or a related party of the organisation. Certain payments made by organisations and branches to related parties and declared persons or bodies are also required to be disclosed.

During the 2020–21 year, the ROC provided educational information on ORPs to registered organisations and their branches. We also engaged directly with organisations on 18 occasions about how the provisions are applicable to their circumstances.

We have seen improvement in compliance with this obligation: in 2020–21, 99% of organisations and branches lodged their statements with the ROC within the statutory timeframes compared with 96% the previous year. This is considered to be an excellent result.

**Figure 3: Percentage of officer and related party disclosure statements lodged within statutory timelines**

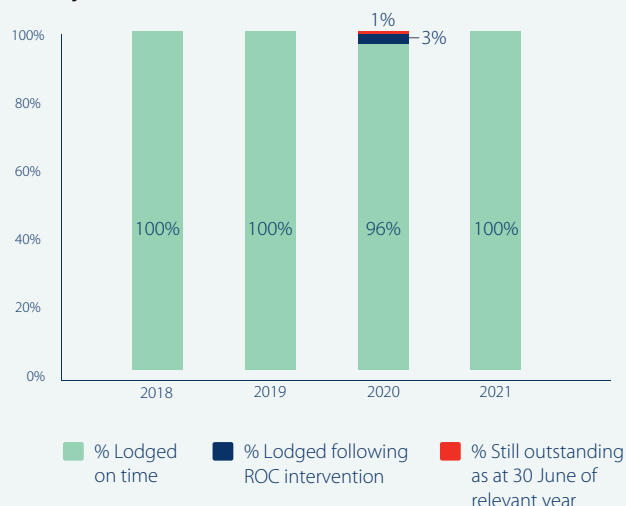


### Annual returns of information

Annual returns provide information about office holders, election requirements, branches and an organisation's membership numbers. It is important for the democratic control of organisations for these returns to be accurate, lodged and published in a timely manner, so members can easily determine who their officers are and when elections are due.

In 2020–21, 100% of organisations lodged their annual returns by the statutory deadline of 31 March. While the ROC continues to intervene in the period immediately prior to 31 March by directly engaging with organisations who may be experiencing issues with lodging on time, it is anticipated that our intervention will not be required in future years and that voluntary compliance will continue to be achieved.

**Figure 4: Percentage of annual returns of information lodged within statutory timelines**



### Financial returns

Financial returns include lodgements by organisations and their branches of financial reports, applications for exemptions from financial reporting and applications for reduced reporting requirements. Timely lodgement of accurate returns and publication of these documents promotes financial accountability and transparency.

Consistent with our risk-based approach to regulation, all financial reports lodged with the ROC are assessed against key compliance requirements (primary review). This is a check of both the timeliness and the quality of the lodgements being received by the ROC and is considered a strong measure of holistic compliance with the legislative financial reporting requirements. In 2020–21, around 15% of all financial reports were assessed against all of the financial reporting requirements and timelines under the RO Act, including the mandatory disclosure requirements under the reporting guidelines, along with the disclosure requirements under the relevant Australian accounting standards (advanced review). During an advanced review, a reporting unit may be required to amend its financial report to ensure any non-compliance issues are remedied.

To be considered compliant, a financial report must meet the key compliance requirements in the primary review. This includes whether:

- certain disclosure requirements under the reporting guidelines are met
- statutory timeframes are met
- appropriate notes regarding preparation of accounts are made
- related-party disclosures are made
- key components of the auditor's report are met, including that the General Purpose Financial Report is presented fairly in accordance with the Australian Accounting Standards and the RO Act
- the report is audited by a registered auditor.

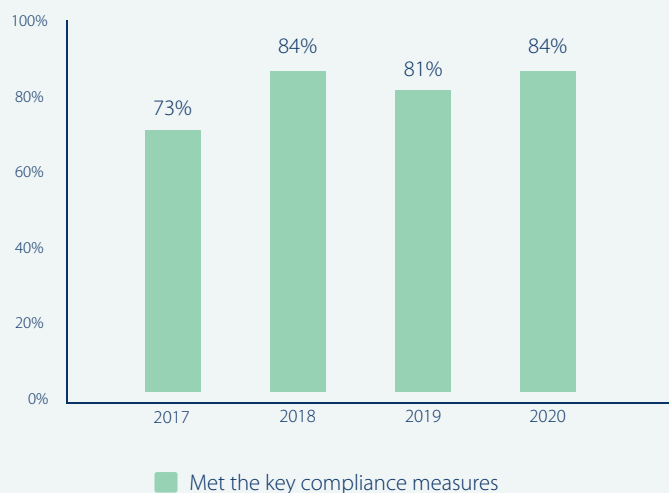
Applications for exemptions from financial reporting (s 271 of the RO Act) and applications for reduced financial reporting (s 269 of the RO Act) are reviewed against all legislative criteria that must be satisfied.

Of the financial returns with a 2020 year end date that had been lodged and assessed for compliance, 84% met the key compliance measures listed above, compared to 81% in 2019, 84% in 2018 and 73% in 2017. A range of factors can influence the extent to which lodged financial reports comply with relevant financial reporting guidelines, and the ROC continues to work productively with organisations and auditors, seeking to ensure continuous improvements in compliance.

**Table 6: Initial compliance of financial reports with financial year end 2020, 2019, 2018 and 2017**

	2020	2019	2018	2017
Primary review	80%	80%	83%	70%
Advanced review	74%	58%	70%	57%
Applications for reduced reporting requirements and applications for exemptions	100%	96%	99%	99%
<b>Total</b>	<b>84%</b>	<b>81%</b>	<b>84%</b>	<b>73%</b>

**Figure 5: Percentage of financial returns assessed as compliant**



### Registration of auditors

All auditors of organisations' financial reports are required to meet criteria specified in the RO Act and be registered with the Commissioner. As at 30 June 2021 there were 340 registered auditors. This was a 12% increase on registrations at 30 June 2020. In 2020–21, 100% of financial reports were audited by a registered auditor, demonstrating a high level of compliance. In the previous year all but one financial report lodged with the ROC had been audited by a registered auditor.

The RO Act limits the time that auditors can play a significant role in the audit of a reporting unit's financial reports (s 256A). An individual must not play a significant role in the audit of a reporting unit for more than:

- 5 consecutive financial years or
- 5 out of 7 consecutive financial years.

The ROC counts every audit that the auditor has completed since 1 May 2017 – when the ROC was established – including audits of financial years that began before 1 May 2017 if the audit was signed after that date. This means that some reporting units are now approaching the time where they must rotate their registered auditor for the first time.

The ROC has taken proactive steps in 2020–21 to educate registered organisations and their branches about this requirement under the RO Act. This has included producing a fact sheet and web content as well as a podcast episode on the topic. We have also sent courtesy letters to organisations and their auditors to remind them that they are close to their 5-year auditor rotation date.

### Approved financial training for office holders

Every officer of a registered organisation with financial duties must complete approved training within 6 months of taking office, under section 293K of the RO Act, unless they hold an exemption.

The Registered Organisations Commissioner may grant an exemption from the requirement for officers with financial management duties to undertake financial training in certain circumstances, under section 293M of the RO Act. The Commissioner may grant the exemption if satisfied the officer has a proper understanding of their financial duties because of their experience as a company director, their experience as an officer of a registered organisation or other professional qualifications and experience. In 2020–21, the Commissioner granted 58 exemptions.

During the financial year, the ROC approved an additional training course that can be undertaken by the relevant officers, the details of which we have published on our website.

During 2020–21, the ROC concluded and released the results of a voluntary audit of compliance with s 293K of the RO Act. The voluntary audit process was designed to educate people in registered organisations about the requirements of the legislation, and to benchmark and increase compliance. Where non-compliance has been identified, the ROC has worked with registered organisations to achieve appropriate remediation, and we have found that the voluntary audit has raised greater awareness around this training requirement.

Notwithstanding the voluntary nature of the audit, a significant number (80%) of registered organisations chose to engage with the ROC and participate in consultations for the audit. The audit process found that 58% of organisations had been compliant and had either completed the training or were still to complete the training in the 6-month period. Of the 34 organisations found to be non-compliant, the vast majority (94%) agreed to a remediation plan.



## The ROC's regulatory role

### Driving compliance through regulation

Helping organisations to develop a culture of good governance and voluntary compliance with the RO Act is a priority for the ROC. To do this, we provide education, assistance and advice to organisations, their officers and their members, to promote self-regulation and appropriate internal management systems by organisations.

In the event of accidental or trivial non-compliance by organisations and individuals who try to comply, the ROC's primary approach will be to provide guidance and assistance, including to work with organisations on the adequacy of their systems to help ensure future compliance. However, in more serious cases involving systematic, repeated, opportunistic or deliberate non-compliance, other regulatory tools are available to us. Enforcement action is one of those tools.

The degree of cooperation by an organisation and actions taken to remedy contravening conduct inform how we progress potential non-compliance. Where a suspected non-compliance issue exists, we take a forensic, evidence-based approach to gathering and analysing the relevant facts to identify the cause, decide the likelihood a contravention has occurred (or may occur or reoccur), the degree of seriousness and the likely consequences. We then take a risk-based approach to determine the appropriate regulatory response to non-compliance. The vast majority of the matters we assess, inquire into or investigate do not result in litigation. However, we will commence court proceedings if, after consideration of all the circumstances, it is warranted and in the public interest.

### Inquiries

The Commissioner has the power to make inquiries into whether financial obligations or civil penalty provisions in the RO Act have been contravened by registered organisations. We seek to take a collaborative approach to inquiries and aim to work with registered organisations to ensure compliance is achieved and any harms, so far as is possible, are remedied.

**Table 7: Inquiries initiated and closed under chapter 11, part 4 of the RO Act in 2020–21**

	No. open as at 30 June 2020	No. commenced during 2020–21	No. concluded during 2020–21	No. open as at 30 June 2021
Inquiries	3	2	3	2

Table 8 details the inquiries undertaken during the reporting period.

**Table 8: Inquiries under chapter 11, part 4 of the RO Act 1 July 2020 to 30 June 2021**

Name	Type*	Commencement date	Issue	Completion date or estimated completion date	Outcome
The Australian Workers' Union, WA Branch	s 330	31 July 2019	Alleged reprisals relating to a whistleblower disclosure	15 July 2020	Inquiry completed
Queensland Real Estate Industrial Organisation of Employers	s 330	14 January 2020	Alleged non-compliance with financial reporting and record-keeping obligations and a number of potential breaches of officer's duties	19 May 2021	Inquiry completed. Organisation was deregistered with effect from 11 February 2021
Restaurant and Catering Industrial	s 330	25 February 2020	Alleged non-compliance with record-keeping obligations, requirement to retain records and to lodge records with ROC	21 July 2020	Inquiry completed. Investigation to be commenced
Master Builders' Association of Tasmania	s 330	27 January 2021	Alleged non-compliance with record-keeping obligations in relation to membership	By 31 July 2021	Inquiry continuing
Independent Education Union of Australia, WA Branch	s 330	27 January 2021	Alleged contraventions of officer duties by former branch secretary	By 31 December 2021	Inquiry continuing

\* Types: s 330: inquiry as to whether contravention of financial obligations and/or civil penalty provisions.

### Investigations

If satisfied there are reasonable grounds for doing so, the Commissioner is empowered to conduct investigations into compliance by registered organisations with their financial obligations, or to ascertain whether there has been a breach of a civil penalty provision. Table 9 provides an overview of investigations that commenced or were continuing during 2020–21.

**Table 9: Investigations initiated and closed under chapter 11, part 4 of the RO Act in 2020–21**

	No. open as at 30 June 2020	No. commenced during 2020–21	No. concluded during 2020–21	No. open as at 30 June 2021
Investigations	2	2*	1	3

\* This includes an investigation that had been on hold as a result of action taken against the ROC by the The Australian Workers' Union in the Federal Court. In November 2019 the investigation was quashed by order of the Court. However, this was set aside on appeal enabling the investigation to recommence in January 2021.

As at 1 July 2020, the Commissioner was conducting 2 investigations (under ss 331 and 332 of the RO Act) into organisations regarding the alleged contravention of financial and/or civil penalty provisions. During 2020–21, one new investigation was commenced under s 331 and one was concluded under s 331 and s 332. See Table 10 for details of investigations.

Table 10: Investigations under chapter 11, part 4 of the RO Act in 2020–21

Name	Type*	Commencement date	Issue	Completion date or estimated completion date	Outcome (as at 30 June 2021)
Construction, Forestry, Mining and Energy Union, Mining, Maritime and Energy Division, Queensland District Branch	ss 331 & 332	14 March 2018	Whether there has been inappropriate credit card usage and loans to officers and employees	23 June 2021	Investigation completed
The Australian Workers' Union, National Office and Victorian Branch**	s 331	20 October 2017, recommenced January 2021	Alleged unapproved donations	Estimate: December 2021	Still under investigation
Motor Traders' Association of NSW	s 331	5 November 2018	Compliance with financial reporting obligations and officers' duties	Estimate: August 2021	Still under investigation
The Australian Workers' Union, all branches excluding Victoria	s 331	17 February 2021	Alleged inaccurate membership reporting and record-keeping	Estimate: December 2021	Still under investigation

\* Types: s 331: investigation as to whether contravention of financial obligations and/or civil penalty provisions and s 332 RO Act investigation arising from auditor's report.

\*\* This investigation had been on hold as a result of action taken against the ROC by the Australian Workers' Union in the Federal Court. In November 2019 the investigation was quashed by order of the Court. However, this was set aside on appeal, enabling the investigation to recommence in January 2021.

## Investigations: whistleblowers

The Commissioner is required to investigate qualifying protected disclosures made by whistleblowers (s 337CA). The whistleblower scheme, introduced in May 2017, expanded the categories of people protected when whistleblowing about potentially unlawful conduct by officers and employees of registered organisations. Criminal penalties also apply for taking a reprisal against a whistleblower.

The ROC coordinates the regulatory approach under this scheme across Commonwealth agencies and law enforcement bodies receiving, allocating or investigating whistleblower disclosures under the RO Act. We meet regularly with those agencies to ensure a consistent approach to each aspect of the scheme.

Table 11: Protected disclosures under chapter 11, part 4A of the RO Act 2020–21

No. open at 30 June 2020	No. opened 1 July 2020 – 30 June 2021	No. closed 1 July 2020 – 30 June 2021 because ineligible disclosure	No. closed – ROC did not consent to allocation	No. allocated to authorised official external to the ROC	No. allocated to the RO Commissioner	No. closed with no investigation conducted	No. closed with investigation completed	No. closed with investigation discontinued	No. open as at 30 June 2021
5	39	2	1	0	29	8	19	1	13

## Royal Commission into Trade Union Governance and Corruption

The Final Report of the Royal Commission into Trade Union Governance and Corruption (TURC) was tabled in Parliament in December 2015. It made 30 referrals to the Fair Work Commission (FWC), of which 24 were transferred to the ROC in May 2017.

Table 12: Status summary of referrals from the Royal Commission into Trade Union Governance and Corruption

Determined by the Federal Court	Before the Federal Court	Subject to formal investigation by the ROC/FWC under s 331 of the RO Act	Closed by the ROC with no further action	In abeyance, pending criminal proceedings
13	0	0	17	0

On 24 June 2021 the Commissioner – after detailed consideration, including weighing up relevant public interest factors – determined that, in light of state criminal proceedings and the order granted to the Health Services Union of Australia (HSU) for restitution, the ROC would take no further action on the final TURC referral in relation to Ms Kathy Jackson. Ms Jackson was formerly the national secretary of the HSU. This concludes all the TURC's referrals that were transferred to the ROC.

## Enforcing provisions of the RO Act

At the end of an inquiry or investigation, the Commissioner will decide on what, if any, enforcement action is considered appropriate. We can pursue a variety of enforcement remedies, depending upon the seriousness and consequences of the misconduct. We will pursue the enforcement remedies best suited to the circumstances of the case and what is sought, or able, to be achieved. We will only commence legal proceedings if there is sufficient evidence or appropriate grounds to do so and it would be in the public interest.

In 2020–21, one penalty was imposed as the result of the ROC's court actions. This amount was \$148,100 against the Australian Workers' Union (AWU) relating to the failure of the AWU's Victorian branch to keep an accurate register of members during the period from 2008 to 2013. A separate penalty of \$20,590 was ordered against the former Victorian Branch Secretary, Mr Cesar Melhem, in the previous financial year.

In December 2020, the Full Court of the Federal Court of Australia delivered a judgment varying the amount of civil penalties that the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU) had to pay for multiple contraventions of the RO Act. In February 2020 the Court found that the CEPU contravened the RO Act on 86 occasions between March 2015 and May 2017, including on 4 occasions failing to keep accurate lists of offices and office holders and on 82 occasions failing to lodge notifications of changes about offices and office holders within the prescribed time. Following an appeal, the Full Court set aside the original penalty of \$445,000 and replaced it with an order that the CEPU pay the Commonwealth penalties totalling \$200,000 instead.

As at 30 June 2021, the ROC has no legal proceedings pending in the Federal Court.

The allegations, orders sought and outcomes (if finalised) of legal action are detailed in Table 13.

**Table 13: Alleged contraventions and orders sought under s. 310(1)(a) of the RO Act (completed 2020–21)**

Name	Date	Alleged contraventions	Orders applied for	Date of completion	Outcome
<i>Registered Organisations Commissioner v Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia [NSD802/2018] / [NSD338/2020]</i>	10 May 2018	Failure to keep an accurate record of office holders. Failure to notify changes to records	Declarations, civil penalties and any other order the Court deems appropriate	22 December 2020	On 22 December 2020 the Full Court set aside the original penalty and imposed a penalty of \$200,000 (reduced from \$445,000)
<i>Registered Organisations Commissioner v The Australian Workers' Union &amp; Anor [VID583/2018]</i>	16 May 2018	Entering on the register of members 851 people who were not members and failing to remove 2,534 unfinancial members from their register	Declarations, civil penalties and any other order the Court deems appropriate	12 August 2020	First respondent ordered to pay civil penalty of \$148,100 on 12 August 2020. Second respondent ordered to pay civil penalty of \$20,590 on 12 November 2019

### Action taken against the ROC

On 20 October 2017, the ROC commenced an investigation into allegations concerning donations made by the AWU. By order made on 26 November 2019, the investigation was quashed by a single judge on a single point of law. On 30 November 2020 the decision to quash the investigation was unanimously set aside on appeal before the Full Court of the Federal Court, allowing for the reinstatement of the investigation.

### Service Standards

The ROC works to ensure that annual returns, financial reports, elections and auditor registrations are assessed in a timely manner. In 2020–21, the ROC achieved 100% delivery of all its timeliness targets.

### Financial reports

Our service standard for financial reports is that, of those lodged under the RO Act, 95% are assessed for compliance within 40 working days. Assessing a financial report for compliance means that the financial report has been reviewed against a primary review checklist or an advanced review checklist. For the assistance of organisations and their auditors, primary and advanced review checklists are published at [www.roc.gov.au](http://www.roc.gov.au).

**Table 14: Performance of financial reports function against timeliness target**

Year	Number assessed	Number within KPI	Result
2020–21	361	361	100%
2019–20	363	363	100%
2018–19	370	370	100%

### Annual returns

The service standard for annual returns of information required to be lodged under the RO Act is that 95% of those lodged are assessed for compliance within 40 working days. Assessing an annual return for compliance means that it is assessed against the ROC checklist for compliance with the RO Act. For the assistance of organisations, the annual return checklist is published at [www.roc.gov.au](http://www.roc.gov.au).

**Table 15: Performance of annual returns function against timeliness target**

Year	Number assessed	Number within KPI	Result
2020–21	102	102	100%
2019–20	102	99	97%
2018–19	106	105	99%

### Elections

The service standard for the ROC to deal with prescribed information for elections lodged by registered organisations or their branches is that 95% are dealt with within 40 working days. Dealing with prescribed information for elections means that the Commissioner (or Delegate) made arrangements for the conduct of an election, or decided not to make arrangements.

**Table 16: Performance of election function against timeliness target**

Year	Number dealt with	Number within KPI	Result
2020–21	187	187	100%
2019–20	177	176	99%
2018–19	235	223	95%



### *Registration of auditors*

The service standard for applications for registration by auditors is that 95% are dealt with within 40 working days. Dealing with applications for registration means that the Commissioner (or Delegate) registered an auditor, or decided not to register an auditor.

**Table 17: Performance of the registration of auditors function against timeliness target**

Year	Number dealt with	Number within KPI	Result
2020–21	38	38	100%
2019–20	19	19	100%
2018–19	24	24	100%





# 04: Management and accountability



Workforce demographics	41
Workforce management	42
Governance	45
External scrutiny	47
Financial management	48

# Workforce demographics

At 30 June 2021, the Entity employed 871 ongoing, 75 non-ongoing and zero casual employees under the Public Service Act 1999.

In 2020–21, we had a total of 38 ongoing engagements, 88 non-ongoing engagements and 85 internal promotions.

The size, location and makeup of our workforce are detailed below.

**Table 18: Employees by classification, at 30 June 2021 and 30 June 2020**

Classification	2021	2020
APS1 ongoing	0	0
APS1 non-ongoing	0	0
APS1 total	0	0
APS2 ongoing	2	1
APS2 non-ongoing	0	1
APS2 total	2	2
APS3 ongoing	91	59
APS3 non-ongoing	46	67
APS3 total	137	126
APS4 ongoing	93	109
APS4 non-ongoing	8	4
APS4 total	101	113
APS5 ongoing	300	289
APS5 non-ongoing	12	14
APS5 total	312	303
APS6 ongoing	203	178
APS6 non-ongoing	4	7
APS6 total	207	185
EL1 ongoing	119	109
EL1 non-ongoing	4	2
EL1 total	123	111
EL2 ongoing	51	43
EL2 non-ongoing	0	0
EL2 total	51	43
SES Band 1 ongoing	10	10
SES Band 1 non-ongoing	0	0
SES Band 1 total	10	10
SES Band 2 ongoing	4	4
SES Band 2 non-ongoing	0	0
SES Band 2 total	4	4
Total	947	897

**Table 19: Employees by employment status, at 30 June 2021 and 30 June 2020**

Employment status	2021	2020
Ongoing full-time	652	591
Non-ongoing full-time	71	89
Total full-time	723	680
Ongoing part-time	219	211
Non-ongoing part-time	4	6
Total part-time	223	217

**Table 20: Employees by gender, at 30 June 2021 and 30 June 2020**

Gender	2021	2020
Female ongoing	550	505
Female non-ongoing	50	64
Total female	600	569
Male ongoing	321	295
Male non-ongoing	25	28

Gender	2021	2020
Total male	346	323
X (Indeterminate/Intersex/Unspecified) ongoing	0	2
X (Indeterminate/Intersex/Unspecified) non-ongoing	0	3
Total X (Indeterminate/Intersex/Unspecified)	0	5

**Table 21: Employees by location, at 30 June 2020 and 30 June 2019**

Location	2021	2020
Ongoing ACT	55	52
Non-ongoing ACT	3	3
Total ACT	58	55
Ongoing NSW	260	226
Non-ongoing NSW	16	31
Total NSW	276	257
Ongoing VIC	294	280
Non-ongoing VIC	32	39
Total VIC	326	319
Ongoing QLD	108	102
Non-ongoing QLD	12	14
Total QLD	120	116
Ongoing SA	75	69
Non-ongoing SA	4	1
Total SA	79	70
Ongoing WA	43	39
Non-ongoing WA	7	7
Total WA	50	46
Ongoing NT	4	3
Non-ongoing NT	0	0
Total NT	4	3
Ongoing TAS	32	31
Non-ongoing TAS	1	0
Total TAS	33	31

**Table 22: Workplace diversity profile, at 30 June 2021 and 30 June 2020**

Self-disclosure category	2021	2020
People with disability	34	32
People from culturally and linguistically diverse backgrounds—ongoing	258	231
People from culturally and linguistically diverse backgrounds—non-ongoing	19	28
People from culturally and linguistically diverse backgrounds—total	277	259
People from Aboriginal and Torres Strait Islander backgrounds—ongoing	7	6
People from Aboriginal and Torres Strait Islander backgrounds—non-ongoing	0	0
People from Aboriginal and Torres Strait Islander backgrounds—total	7	6

**Table 23: Senior executive and executive level employees by classification and gender, at 30 June 2021 and 30 June 2020**

Classification	2021 female	2020 female	2021 male	2020 male	2021 total	2020 total
EL 1	81	72	41	39	122	111
EL 2	31	23	20	20	51	43
SES Band 1	5	5	4	5	9	10
SES Band 2	1	1	3	3	4	4
Total	118	101	68	67	186	168

Note: The above tables exclude the Fair Work Ombudsman and the Registered Organisations Commissioner.

# Workforce management

As employees of the FWO, ROC staff are subject to many of the FWO's human resource policies and procedures and were supported by the following initiatives in 2020–21.

## Capability development

In 2020–21, we maintained our commitment to enhancing workforce capability and supporting people to perform to their full potential.

Our continued investment in the Manager Academy program, including a 360-degree feedback program, ensures current and future managers have the skills to respond effectively to changing business needs. We've identified new ways to deliver Fair Work Act legislative training to frontline staff, which ensures we can continue to upskill staff in a timely, effective and flexible manner. Manager capability and technical expertise were critical factors in our successful transition to wide-scale temporary working from home arrangements, while responding to increased service demand during the COVID-19 pandemic.

Other 2020–21 capability development initiatives included:

- providing e-learning and face-to-face training in areas such as unconscious bias, mental health first aid and fraud awareness
- piloting a learning solutions partnership, which gives our staff access to services such as virtual and face-to-face training, coaching and diagnostics
- supporting staff to undertake formal accredited courses through our study assistance scheme
- providing a continuing professional development program to maintain the technical knowledge and professional development of frontline and corporate staff
- enhancing the development pathway for new starters through an improved induction experience
- offering all employees access to an online learning platform containing self-paced courses that have enabled employees to upskill while working from home.

## Employee engagement

We have high engagement levels between staff and supervisors and with agency goals, and generally perform well in the Australian Public Service (APS) Employee Census.

During the initial COVID-19 period, the FWO ran employee pulse surveys that provided an opportunity for staff to share feedback, ideas and opinions. We believe this work helped maintain employee engagement throughout 2020–21, with a 76% engagement score achieved in the 2020 APS Employee Census. Notably, 89% of respondents said they would recommend us as a good place to work.

## Ethics and values

The APS Values, Code of Conduct and Employment Principles promote responsible public administration. They underpin our positive workplace culture – one that encourages and recognises high performance, strong leadership and inclusion.

Information on the APS Values, Code of Conduct and Employment Principles is available on our intranet, included in induction training for new staff, mandatory training for existing staff and incorporated in employee performance plans.

## Diversity and inclusion

We value diversity and inclusion and recognise the positive contribution employees from diverse backgrounds make.

In 2020–21, our commitment to an inclusive and flexible workplace continued through:

- the introduction of a Diversity Team within our People Branch. The team is responsible for developing and implementing our Indigenous Employment Strategy, and our Diversity and Inclusion Strategy and Action Plan 2018–21
- providing online training to increase awareness for the following diversity groups: Gay, Lesbian, Bisexual, Transgender and Intersex; Aboriginal and Torres Strait Islander Peoples; Multi-Cultural; and Disability
- sponsorship of employee networks including our Gay, Lesbian, Bisexual, Transgender and Intersex Network; Gender Equality Network; Aboriginal and Torres Strait Islander Peoples Network; and Disability Network
- implementation of our latest Reconciliation Action Plan (RAP), launched in December 2020
- implementation of our Gender Equality Action Plan 2018–21
- sustained gender equality at executive levels, with 52% of EL2–SES level positions held by female staff at 30 June 2021
- implementation of a new Gender Affirmation Guide to provide information about gender identity and affirmation in the workplace, including practical ways to support an inclusive and respectful workplace
- our continued commitment to the Law Council of Australia's Equitable Briefing Policy practice. This financial year, we briefed female counsel 42 times and male counsel 23 times
- accreditation by the Australian Breastfeeding Association as a Breastfeeding Friendly Workplace
- continued promotion of flexible work arrangements and support for the implementation of wide-scale temporary working from home arrangements due to the COVID-19 pandemic
- enhancing awareness of and support for employees experiencing domestic and family violence, including by:
  - providing enhanced leave provisions
  - providing additional training for our Domestic and Family Violence Contact Officers
  - providing dedicated internal resources that reference support services
  - promoting Domestic Violence Prevention Month
- maintaining and promoting a register of multilingual staff willing to assist customers from diverse backgrounds
- enhancing awareness of people with disabilities through internal videos and intranet articles featuring our staff and their experiences with disability.

## Disability reporting

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy advisers, purchasers, employers, regulators and providers under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission (APSC) State of the Service reports and the APS Statistical Bulletin. These reports are available on the APSC's website. Since 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy was overtaken by the National Disability Strategy 2010–20, which set out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. Progress reports track outcomes against the strategy and present a picture of how people with disability are faring. The first of these progress reports can be found on the Department of Social Services website.

## Graduate program

In February 2021, 2 employees commenced as graduates at the FWO. These graduates have degrees in Information Technology. The agency's graduate program is run in conjunction with the APSC Graduate Development Program and helps us build capability in specialist roles and capacity in critical areas.

## Remuneration and employment conditions

The FWO Enterprise Agreement 2019–2022 (the agreement) came into effect on 19 December 2019. Under the agreement, there was a 2% salary increase on commencement.

The agreement covers APS1–EL2 employees (including ROC staff, employed by the FWO to assist the Registered Organisations Commissioner) and provides access to a range of leave, flexible working arrangements, allowances and other benefits. It also provides for an Agency Consultative Forum, which facilitates staff consultation on workplace matters.

Information on rights and obligations under the agreement and associated policies is available on the FWO intranet.

**Table 24: Employee workplace agreements, common law contracts, and individual flexibility agreements by classification, at 30 June 2021 and 30 June 2020**

Classification	2020 enterprise agreement	2021 enterprise agreement	2020 common law contract	2021 common law contract	2020 individual flexibility agreement	2021 individual flexibility agreement	2020 total	2021 total
APS1	0	0	0	0	0	0	0	0
APS2	2	2	0	0	0	0	2	2
APS3	126	137	0	0	0	0	126	137
APS4	113	101	0	0	0	0	113	101
APS5	303	312	0	0	0	0	303	312
APS6	184	206	0	0	1	1	185	207
EL1	111	123	0	0	0	0	111	123
EL2	39	43	0	0	4	8	43	51
SES Band 1	0	0	10	10	0	0	10	10
SES Band 2	0	0	4	4	0	0	4	4
<b>Total</b>	<b>878</b>	<b>924</b>	<b>14</b>	<b>14</b>	<b>5</b>	<b>9</b>	<b>897</b>	<b>947</b>

Our remuneration policy operates in accordance with parameters that apply across the APS. No performance bonuses were paid to FWO staff in 2020–21.

**Table 25: Salary ranges by classification, at 30 June 2021**

Classification	Salary ranges
APS1	\$51,826 - \$53,857
APS2	\$58,723 - \$64,268
APS3	\$66,025 - \$71,165
APS4	\$73,463 - \$79,683
APS5	\$81,846 - \$86,714
APS6	\$88,607 - \$101,860
EL1	\$112,677 - \$121,603
EL2	\$129,851 - \$182,000
SES Band 1	\$212,026 - \$249,111
SES Band 2	\$264,446 - \$282,499

The agency also provides a number of non-salary staff benefits, which can include:

- professional membership fees
- parking allocation at work
- a mobile phone, iPad and laptop
- airline lounge membership.

## Executive remuneration reporting

During the reporting period ended 30 June 2021, the Entity had 6 executives who meet the definition of key management personnel (KMP). Their names and the length of term as KMP are summarised below.

**Table 26: Name, position and length of term of Key Management Personnel**

Name	Position	Term as KMP
Sandra Parker	Fair Work Ombudsman	Full year
Mark Bielecki	Registered Organisations Commissioner	Full year
Jeremy O'Sullivan	Chief Counsel	Full year
Michael Campbell	Chief Operating Officer	Full year
Kristen Hannah	Deputy FWO, Policy and Communication	Full year
Mark Scully	Deputy FWO, Compliance and Enforcement	Full year

The remuneration and other benefits for the positions of Fair Work Ombudsman and the Registered Organisations Commissioner are set by the Remuneration Tribunal. All other KMP are remunerated through common law contracts that reference elements of the agreement and the policies of the Entity.

In the notes to the financial statements for the period ending 30 June 2021, the Entity disclosed the following KMP remuneration expenses.

**Table 27: KMP remuneration expenses**

	2021 \$'000
Short-term employee benefits	1,964
Post-employment benefits	313
Other long-term employee benefits	68
Total key management personnel remuneration expenses	2,345

In accordance with the PGPA Rule, this information is further disaggregated as shown in the table below:

**Table 28: Disaggregated KMP remuneration expenses**

		Short-term benefits		Post-employment benefits	Other long-term benefits	Total Remuneration
Name	Position	Base salary	Other benefits and allowances	Superannuation contributions	Long service leave	
Sandra Parker	Fair Work Ombudsman	\$397,268	-	\$69,575	\$13,340	\$480,183
Mark Bielecki	Registered Organisations Commissioner	\$348,011	-	\$35,442	\$11,924	\$395,377
Mark Scully	Deputy FWO, Compliance and Enforcement	\$283,106	\$33,141	\$47,274	\$10,550	\$374,071
Kristen Hannah	Deputy FWO, Policy and Communications	\$280,747	\$33,141	\$49,907	\$10,267	\$374,062
Jeremy O'Sullivan	Chief Counsel	\$259,854	\$33,021	\$57,279	\$10,925	\$361,079
Michael Campbell	Chief Operating Officer	\$265,669	\$30,019	\$53,314	\$10,783	\$359,785
<b>Total</b>		<b>\$1,834,655</b>	<b>\$129,322</b>	<b>\$312,791</b>	<b>\$67,789</b>	<b>\$2,344,557</b>

During the reporting period ended 30 June 2021, the Entity had 14 other senior executives who did not meet the definition of a KMP. The remuneration of these senior executives is disclosed in remuneration bands in the table below. Remuneration within each band is calculated as an average.

The average amounts for the relevant category are based on the number of senior executives within the relevant band, not the full-time equivalent.

**Table 29: Remuneration of senior executives who don't meet the definition of a KMP**

Short-term benefits					Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0- \$220,000	2	\$56,344	\$0	\$8,081	\$10,297	\$6,108	\$0	\$0	\$80,830
\$220,001- \$245,000	1	\$155,628	\$0	\$31,140	\$27,786	\$7,509	\$0	\$0	\$222,063
\$245,001- \$270,000	1	\$186,432	\$0	\$31,979	\$33,663	\$7,534	\$0	\$0	\$259,608
\$270,001- \$295,000	3	\$215,596	\$0	\$29,058	\$38,508	\$8,394	\$0	\$0	\$291,556
\$295,001- \$320,000	4	\$227,924	\$0	\$29,609	\$42,684	\$8,811	\$0	\$0	\$309,028
\$320,001- \$345,000	3	\$210,120	\$0	\$26,496	\$39,795	\$8,204	\$0	\$45,537	\$330,152



## Work health and safety

The FWO Health and Wellbeing Framework 2018–20 focused on supporting and developing employee psychological and physical wellbeing. It emphasised prevention, early intervention, and rehabilitation and injury management.

We are in the process of finalising a new framework, which will be informed by learnings from managing workplace health and safety (WHS) during the COVID-19 pandemic.

Key 2020–21 health and safety initiatives included:

- hazard and risk identification, assessment, removal or mitigation, management and evaluation
- regular review of health-and-safety related policies, guides and fact sheets
- maintaining a Health and Safety Committee, who advise and consult with the broader agency on workplace health and safety policy-related matters, review trends in claim and incident data, and contribute to workplace health and safety initiatives
- provision of work health and safety training and information, including targeted communications such as a quarterly WHS Executive Update to assist managers to meet their WHS obligations
- RUOK? Day activities to support mental health in the workplace
- an influenza vaccination program
- workstation assessments (office and home) to promote good ergonomic practices and prevent body stressing injuries
- flexible working arrangements (part-time and flexible hours, job sharing, working from home)
- access to services through our employee assistance provider. Specialist and confidential support can be provided for a range of personal issues for individuals and work issues for people leaders
- early intervention and rehabilitation case management services.

A range of work health and safety initiatives have been undertaken in response to the COVID-19 pandemic, including:

- enacting large-scale working from home arrangements, including providing education on health and wellbeing while working from home, and undertaking home-based workstation assessments
- undertaking an assessment of work health and safety risks in accordance with Safe Work Australia advice to ensure our workplaces are COVID-safe
- implementing additional measures to actively control against the transmission of COVID-19 in the workplace, including enhanced cleaning protocols, adherence to physical distancing principles and ongoing staff guidance and support
- developing and implementing a process to manage suspected and confirmed cases of COVID-19
- employee wellbeing initiatives including webinars, 'well-checks' for frontline staff and a trial of Beyond Blue's NewAccess Workplaces mental health coaching service
- supporting employees to receive COVID-19 vaccinations.

During 2020–21, there were no new workers' compensation claims accepted. The agency's initiatives and commitment to early intervention, rehabilitation, return to work principles and ongoing education continue to provide a safe and rewarding workplace for our employees.

## Work health and safety incident reporting

Under section 38 of the Work Health and Safety Act 2011, we are required to notify Comcare of any deaths, serious injury or illness, or dangerous incidents arising out of our work. There were no notifiable incidents reported to Comcare in 2020–21.

Under Schedule 2, Part 3 of the Work Health and Safety Act 2011, we are required to report on any investigations undertaken by Comcare or any notices we received under Part 10 of the Work Health and Safety Act 2011. There were no investigations conducted or notices received during 2020–21.

## Property and environmental management

In 2020–21, our initiatives to reduce waste, energy and water consumption and greenhouse emissions included:

- encouraging and promoting ways the Entity and its staff can reduce their environmental impact via the employee Green Team
- fitting our offices with timer mechanism sensor lighting to switch lighting off when rooms are not occupied
- participating in Earth Hour 2021, which involved turning off all non-essential lighting in our tenancies on 27 March 2021
- using video conferencing and technology as a sustainable alternative to travel
- print-on-demand and setting default printing properties to duplex and black and white
- using recycled copy paper and engaging scheduled document destruction and recycling of cardboard/paper to reduce our environmental footprint
- continuing to replace paper-based processes with digital solutions
- participating in programs to recycle toner cartridges and mobile phones
- providing organic matter and recycling bins in addition to general waste kitchen bins in our office accommodation
- participating in disposable coffee cup and coffee pod recycling in selected offices.

## Governance

The Entity is committed to good governance, recognising that we must actively engage with risk, particularly in times of uncertainty, to achieve our Purpose.

We have established a series of boards and committees that lead and support us in this endeavour.

### Corporate Board

The Corporate Board advises the Fair Work Ombudsman on key strategic and operational decisions regarding financial and corporate matters and ensures compliance with the Public Governance, Performance and Accountability Act 2013, Public Service Act 1999 and other Commonwealth legislation and government policies.

The Corporate Board is chaired by the Fair Work Ombudsman and consists of the SES Band 2 Officers from each Group.

Changes in the Entity's environment that result in heightened risk, such as the impact of COVID-19, are monitored and managed through activity-specific working groups that report to the Corporate Board.

The Corporate Board is also supported by a series of sub-committees:

- The **Accountability Sub-Committee** has oversight of security incidents, compliance with the Protective Security Policy Framework and decisions with respect to risks arising from the FWO's customer commitment, data analytics methodologies and information management.
- The **Business Investment Sub-Committee** has oversight of and makes recommendations for approval of information and communications technology-related matters and projects.

## Enforcement Board

Risks arising from the application of our statutory powers and functions under the Fair Work Act are overseen by the Enforcement Board, which ensures a risk-based and proportionate approach is taken in respect to our compliance and enforcement functions. The Enforcement Board also determines the agency's strategic priorities and the compliance and enforcement policy and establishes and monitors the agency's annual compliance and enforcement programme of work. It also ensures that our research, education and other activities align with these.

The Enforcement Board is chaired by the Fair Work Ombudsman and its membership comprises the Fair Work Ombudsman and Deputy Fair Work Ombudsman from the Compliance and Enforcement, and Policy and Communication groups. The Chief Counsel and other senior officials regularly attend to advise and assist the Enforcement Board.

## Senior Executive Staff Forum

Senior executives meet on a quarterly basis to discuss key strategic issues such as agency planning, professional development and other Entity-wide initiatives. Senior representatives from the FWO and the ROC also meet regularly pursuant to a Memorandum of Understanding.

## Audit and Risk Committee

The Audit and Risk Committee provides independent assurance to the Fair Work Ombudsman, as the accountable authority, on the FWO's and ROC's financial and performance reporting, risk management framework, internal control systems, and legislation and policy compliance. The Audit and Risk Committee's Charter can be found on our website.<sup>18</sup>

In 2020–21, the Audit and Risk Committee comprised 3 independent members (including the Chair) and one senior officer from the FWO. During the financial year, the committee considered the following internal review topics:

- Implementation of New Compliance Strategy
- Risk Management Review
- Handling of Aged Matters

Four further reviews were commenced during 2020–21 but were not finalised by the June 2021 Committee meeting. The finalised reports will be considered by the Committee at the September 2021 meeting:

- Fraud and Corruption Review
- IT Functional Review – recommendation follow-up
- Project Management Health Check
- Calculations Capability Review

**Table 30: Membership details of Audit and Risk Committee**

Member's name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration
Jeff Lamond PSM Independent Member and Chair	<ul style="list-style-type: none"> <li>• Formal economics and accounting qualifications, graduate qualification in legal studies.</li> <li>• Substantial experience (7 years) as CEO of small company.</li> <li>• 34 years public service employment (13 years at SES including B1 and B2, and 6.5 as a statutory office holder – APS Merit Protection Commissioner).</li> <li>• Managed own consultancy since 2008 covering employment, values and ethics and personnel policy.</li> <li>• For 10 years served as Internal Ombudsman in 2 agencies addressing personnel, entitlements and management issues.</li> <li>• Substantial experience with audit – chaired or sat as independent member on 7 Audit and Risk Committees for a range of Australian Government agencies.</li> </ul>	4/4	\$14,400 excl GST
Jennifer Taylor PSM Independent Member	<ul style="list-style-type: none"> <li>• Formal management qualifications.</li> <li>• Substantial experience as CEO of the Statutory Agency Comcare and various deputy secretary positions.</li> <li>• Experience in public sector operating environment including sound understanding of all legislative and policy requirements and financial statements review.</li> <li>• Member Australian Institute of Company Directors.</li> </ul>	4/4	\$10,000 excl GST
Glen Casson Chief Financial Officer, Department of Veterans' Affairs	<ul style="list-style-type: none"> <li>• Extensive experience as a CFO (6 years) within the Australian Government and over 21 years in the Australian Public Service across a range of IT, audit and finance roles.</li> </ul>	4/4	\$0 (Nil)
Louise Peters Executive Director, Engagement (a/g)	<ul style="list-style-type: none"> <li>• Formal legal qualifications and over 14 years' experience working in a regulatory environment and strong operational knowledge of the Fair Work Ombudsman and Registered Organisations Commission Entity.</li> <li>• Broad experience across program and project delivery, engagement, risk management activities, budget management and governance arrangements.</li> </ul>	3/4	\$0 (Nil)

<sup>18</sup> <https://www.fairwork.gov.au/ArticleDocuments/549/Fair%20Work%20Ombudsman%20and%20Registered%20Organisations%20Commission%20Audit%20Committee%20Charter%20September%202019.pdf.aspx>

## Health and Safety Committee

The Health and Safety Committee reviews and provides recommendations for matters involving work health and safety, including implementing preventative initiatives and reporting on the implementation of relevant legislation and practices.

## Business planning

Organisational goals are set out in our Corporate Plan and the FWO Purpose. These form the basis for the development of annual business plans that contain internal performance measures. Business plans provide a link between the Corporate Plan, strategic goals and individual performance plans.

Plans are updated to reflect changes in priorities, and performance against the plans is monitored by the Corporate Board and senior management. Our Corporate Plan and Purpose are made available to external stakeholders via our website and the Corporate Plan is submitted to the Department of Finance and Portfolio Minister annually.

## Business continuity

We are actively implementing our newly revised Business Continuity Management Framework to ensure we manage the continuity not only of our business but also of the broader Australian Public Service. This involves the active consideration and management of COVID-19 risks and the implementation of controls and treatments designed to ensure the ongoing business continuity of our operations and the safety of our people.

As a result of the pandemic, the FWO activated its Crisis Action Team in mid-March 2020. The team was made up of representatives from all parts of the organisation to manage the early response to the pandemic and to ensure business continuity plans were enabled.

We seek to manage shared risks by collaborating with other government entities, particularly in supporting the whole-of-government response to the COVID-19 pandemic.

## Risk and fraud management

A risk management framework facilitates the identification, management and monitoring of risks across operational and corporate areas and informs the internal audit plan. Owners are assigned to risks, and controls and treatments are identified through a strategic risk register.

Following consultation, an internal audit plan was developed for 2020–21 that targets identified risk areas. The Audit and Risk Committee monitors the plan and risk reporting.

## Fraud controls and investigations

Our 2021–22 Fraud Control Plan and risk assessment enables us to manage and monitor identified fraud risks through prevention, detection and response initiatives.

All reasonable measures were taken to minimise fraud risk and to investigate possible fraud against the FWO and the ROC. Particular attention was given to this risk in the COVID-19 environment.

## External scrutiny

The FWO continues to focus on improving our operations and how we interact with our customers. The FWO Customer Service Charter outlines our services and, importantly, what our customers can expect from us, including our 5 principles of customer service. The charter is available at [www.fairwork.gov.au](http://www.fairwork.gov.au).

We value feedback from customers about their experience with us and, in addition to actively seeking feedback through our performance measures surveys, we encourage our customers to provide feedback via the online form. Our Feedback and Complaints Management Policy outlines how our customers can provide feedback about our services, lodge a complaint about their experience or request a review of their matter.

While the number of service complaints is only a small proportion of our total interactions, they provide valuable insights that support business improvements and an opportunity to further enhance our service offerings.

**Table 31: FWO service complaints and requests for reviews received and finalised**

Action	2020–21	2019–20
Received	465*	405
Finalised	459*	398

*\*Please note a process change to reporting complaints and feedback data has occurred, figures now include all formal requests for review.*

The ROC actively seeks feedback about its services and practices. The ROC also encourages participants in ROC education activities to complete evaluation forms and feedback surveys.

The ROC provides a formal complaint handling process for complaints about its staff and administrative processes, which is published on the ROC website.

The ROC did not receive any formal complaints about its staff or administrative processes during the reporting period.

## Reports to the Commonwealth Ombudsman

In 2020–21, 2 preliminary enquiries and 2 investigations were conducted by the Commonwealth Ombudsman in relation to the FWO's operations.

One review and report related to a FWO Notice examination. Under the Fair Work Act, the Commonwealth Ombudsman must review the exercise of examination powers by the FWO and present quarterly reports to parliament. After considering the Commonwealth Ombudsman's report, the FWO made improvements to its FWO Notice examination guidance and practices during the year. Three further reviews of FWO Notice examinations are ongoing.

As at 30 June 2021, the Commonwealth Ombudsman had not yet communicated the findings of the other investigation to the FWO.

**Table 32: Commonwealth Ombudsman investigations and findings**

	2020–21	2019–20
Commonwealth Ombudsman investigations	2	2
Adverse findings	0	0

In 2020–21, no formal reviews were conducted in relation to the ROC's operations.

There were no reports by the Auditor-General, the Australian National Audit Office or a parliamentary committee in relation to the FWO's or ROC's operations. There were also no reports by the Commonwealth Ombudsman in relation to the ROC's operations.

## Freedom of information

### FOI requests to FWO

The FWO received 75 requests for information under the Freedom of Information Act 1982 (FOI Act) in 2020–21. This compared with 57 requests received in 2019–20. The FWO's disclosure log is available at [www.fairwork.gov.au](http://www.fairwork.gov.au). We continue to facilitate information access through our Information Access Policy, also available on our website, which reduces the need to make formal FOI requests.

### FOI requests to ROC

The ROC received 9 requests for information under the FOI Act in 2020–21. This increased from 2 requests for information received under the FOI Act in 2019–20. The ROC's disclosure log, which is published on the ROC website, reports what information has been provided and how to access it.

Formal FOI requests are not required for most documents held by the ROC. Most documents lodged by registered organisations are publicly available on the ROC website.

### Information Publication Scheme

We are required to publish information to the community as part of the FOI Act Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in annual reports. Each agency must display a plan on its website showing what information it publishes in accordance with IPS requirements. The FWO's plan can be found on [www.fairwork.gov.au](http://www.fairwork.gov.au) and the ROC's plan can be found on [www.roc.gov.au](http://www.roc.gov.au). The plans set out what information is published under the IPS, how and to whom it is published, and how we otherwise comply with IPS requirements.

## Privacy

We are committed to protecting the privacy of individuals who provide us with their personal information and ensuring staff know what to do in the event of a suspected privacy breach. We completed 8 privacy impact assessments for new projects and processes in 2020–21.

The FWO did not report any privacy breaches to the Office of the Australian Information Commissioner (OAIC) in 2020–21.

The ROC reported no privacy breaches to the OAIC during the financial year.

### Judicial decisions or administrative reviews

There were no judicial decisions, or decisions of administrative tribunals or the Australian Information Commissioner, that have had a significant effect on the operations of the FWO or ROC in 2020–21.

# Financial management

We continue to maintain a strong focus on financial management, ensuring resources are utilised in the most efficient and effective manner to deliver the greatest benefit and impact for the Australian community.

Our financial results for 2020–21 are outlined in the Agency Resource Statement. The operating loss for 2020–21 was \$0.241 million and includes a depreciation expense of \$15.421 million, which is not funded by government appropriations.

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

In 2020–21, we reported no significant non-compliance with finance law.

### Purchaser-provider arrangements

During 2020–21, we purchased IT services and a number of other administrative functions on a fee-for-service basis through a longstanding arrangement with the Technology Services Division within the Department of Education, Skills and Employment under a Memorandum of Understanding. The management of enterprise resource planning services was provided to the Entity on a fee-for-service basis under a Memorandum of Understanding with the Service Delivery Office within the Department of Finance.

### Procurement initiatives to support small and medium enterprises

We support small business participation in the Commonwealth Government procurement market by:

- reducing tendering burden through use of the Commonwealth Contracting Suite for low-risk procurements under \$200,000
- adhering to the Commonwealth's 20-day payment policy
- engaging with small business organisations to increase understanding of each other's offerings and needs
- using credit cards to facilitate on-time payments.

Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance website ([www.finance.gov.au](http://www.finance.gov.au)).

We recognise the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website.

### Procurement to support Indigenous enterprises

The Commonwealth Indigenous Procurement Policy (IPP) commenced on 1 July 2015. We amended our procurement policy and practices to meet the new requirements.

A total of 22 contracts were awarded to Indigenous suppliers during the year, totalling \$398,803 (GST inclusive).

## Reportable consultancy contracts

We engage consultants if we need specialist expertise or independent research, reviews or assessments to support our decision-making. Providers are selected through open tender, pre-qualified tenders, limited tender or an established panel arrangement.

The decision to engage a consultant is made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and internal policies.

During 2020–21, 7 new reportable consultancy contracts were entered into, incurring actual expenditure of \$307,018 (including GST). In addition, 6 ongoing consultancy contracts were active during the reporting period, incurring actual expenditure of \$87,089.

Table 33: Consultancy contract spending

	Number	Expenditure (GST inc.)
New contracts entered into during the reporting period	7	\$307,018
Ongoing contracts entered into during a previous reporting period	6	\$87,089
Total	13	\$394,107

## Reportable non-consultancy contracts

During 2020–21, 167 new reportable non-consultancy contracts were entered into, incurring total expenditure of \$10,398,194 (including GST). In addition, 139 ongoing non-consultancy contracts were active during the reporting period, incurring a total expenditure of \$29,422,678.

Table 34: Non-consultancy contract spending

	Number	Expenditure (GST inc.)
New contracts entered into during the reporting period	167	\$10,398,194
Ongoing contracts entered into during a previous reporting period	139	\$29,422,678
Total	306	\$39,820,872

Annual reports contain information about actual expenditure of reportable consultancy and non-consultancy contracts. Information on the value of consultancies and non-consultancy contracts is available on the AusTender website.

There were no requests for exemption or exemptions given from publishing a contract on AusTender. All our contracts allow for the Auditor-General to access the contractor's premises.

## Grants

During 2020–21, the Entity continued to administer the 2017–20 round of the Community Engagement Grants Program (CEGP) which concluded on 31 December 2020.

A further round of CEGP funding commenced on 1 January 2021, allocating funds over 4 years until 31 December 2024 to not-for-profit organisations that assist vulnerable workplace participants. Information on grants awarded under the CEGP is available at [www.fairwork.gov.au](http://www.fairwork.gov.au).

Grants to 3 key employer and employee groups continued to be administered as part of the Government's response to the COVID-19 pandemic. These funds are to enable the groups to boost their services and offer support and advice to employers and employees on their obligations and entitlements during the COVID-19 crisis.

## Advertising

Payments made to advertising organisations in 2020–21 totalled \$755,833. Amounts paid to organisations that were less than \$14,000 have not been included, consistent with the Commonwealth Electoral Act 1918.

No advertising campaigns for which expenditure was greater than \$250,000 were undertaken in 2020–21.

During 2020–21, the FWO conducted the following advertising campaigns:

- Small Business Showcase and small business resources
- Myth-busting videos
- Record-keeping and pay slips online learning course
- Aboriginal and Torres Strait Islander resources
- Pay and Conditions Tool in-language
- Franchise/small business videos
- Return to the workplace
- Horticulture supply chain
- Sham contracting case studies
- Visual piecework agreement
- Fast food, restaurant and catering employees
- Casual Employment Information Statement.

Further information on these advertising campaigns is available at [fairwork.gov.au](http://fairwork.gov.au) and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.







# 05: Financial Statements



Agency Resource Statement 2020–21	53
Independent auditor’s report	55
Statement by the Accountable Authority and Chief Financial Officer	57
Primary financial statements and notes	59

# Agency Resource Statement

Table 35: Agency Resource Statement 2020–21

	Actual Available Appropriation for 2020–21 \$'000	Payments Made 2020–21 \$'000	Balance Remaining 2020–21 \$'000
	(a)	(b)	(a–b)
<b>Ordinary Annual Services<sup>1</sup></b>			
Departmental appropriation <sup>2</sup>	218,022	136,700	81,322
<b>Total Ordinary Annual Services</b>	<b>218,022</b>	<b>136,700</b>	<b>81,322</b>
<b>Other services</b>			
<b>Special Appropriation</b>			
Administered outputs	1,000	937	63
<b>Total Special Appropriation</b>	<b>1,000</b>	<b>937</b>	<b>63</b>
<b>Total Available Annual Appropriations</b>	<b>219,022</b>	<b>137,637</b>	<b>81,385</b>
<b>Funds Held by CRF</b>			
Opening balance	3,719	–	3,719
Non-appropriation receipts	2,076	–	2,076
Payments	–	937	(937)
<b>Total Funds Held by CRF</b>	<b>5,795</b>	<b>937</b>	<b>4,858</b>
<b>Special Account</b>			
Opening balance	1,340	–	1,340
Non-appropriation receipts	5,306	–	5,306
Payments	–	5,509	(5,509)
<b>Total Special Account</b>	<b>6,646</b>	<b>5,509</b>	<b>1,137</b>
<b>Total Net Resourcing for Fair Work Ombudsman and Registered Organisations Commission Entity</b>	<b>231,463</b>	<b>144,083</b>	<b>87,380</b>

<sup>1</sup> Appropriation Act (No. 1) 2020–21. This may also include prior-year departmental appropriation and section 74 retained revenue receipts.

<sup>2</sup> includes an amount of \$8.751 million in 2020–21 for the departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

Table 36: Expenses and Resources for Outcome 1

Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.	Budget 2020–21 \$'000	Actual Expenses 2020–21 \$'000	Variation \$'000
	(a)	(b)	(a–b)
<b>Program 1: Education Services and Compliance Activities</b>			
Departmental Expenses			
Departmental appropriation	141,687	126,304	15,383
S74 Retained revenue receipts	1,370	1,442	(72)
Expenses not requiring appropriation in the budget year	16,571	15,200	1,371
<b>Total for Program 1</b>	<b>159,628</b>	<b>142,946</b>	<b>16,682</b>
<b>Total Expenses for Outcome 1</b>	<b>159,628</b>	<b>142,946</b>	<b>16,682</b>
		<b>2020–21</b>	
Average staffing level (number)		791	

Table 37: Expenses and Resources for Outcome 2

Outcome 2: Effective governance and financial transparency of registered employee and employer organisations, through regulation, investigation, and appropriate enforcement activities.	Budget 2020–21 \$'000	Actual Expenses 2020–21 \$'000	Variation \$'000
	(a)	(b)	(a–b)
<b>Program 1: Registered Organisations Commission</b>			
Departmental Expenses			
Departmental appropriation	5,306	5,509	(203)
Expenses not requiring appropriation in the budget year	333	221	112
<b>Total for Program 1</b>	<b>5,639</b>	<b>5,730</b>	<b>(91)</b>
<b>Total Expenses for Outcome 2</b>	<b>5,639</b>	<b>5,730</b>	<b>(91)</b>
		<b>2020–21</b>	
Average staffing level (number)		28	



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Industrial Relations

#### Opinion

In my opinion, the financial statements of the Fair Work Ombudsman and Registered Organisations Commission Entity (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Fair Work Ombudsman is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Fair Work Ombudsman is also responsible for such internal control as the Fair Work Ombudsman determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fair Work Ombudsman is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Fair Work Ombudsman is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Peter Kerr  
Executive Director  
Delegate of the Auditor-General

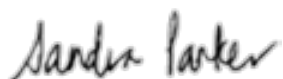
Canberra

14 September 2021

#### STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Fair Work Ombudsman and Registered Organisations Commission Entity will be able to pay its debts as and when they fall due.



Sandra Parker  
Accountable Authority

14 September 2021



Russell Thackeray  
Chief Financial Officer

14 September 2021

## Contents

Statement of Comprehensive Income	59
Statement of Financial Position	61
Statement of Changes in Equity	63
Cash Flow Statement	65
Administered Schedule of Comprehensive Income	67
Administered Schedule of Assets and Liabilities	68
Administered Reconciliation Schedule	69
Administered Cash Flow Statement	70
Notes to the financial statements	
Overview	71
1. Departmental Financial Performance	
1.1 Expenses	72
1.2 Own-Source Revenue and Gains	73
2. Income and Expenses Administered on Behalf of Government	
2.1 Administered - Expenses	74
2.2 Administered - Income	74
3. Departmental Financial Position	
3.1 Financial Assets	75
3.2 Non-Financial Assets	76
3.3 Payables	78
3.4 Interest Bearing Liabilities	78
4. Assets and Liabilities Administered on Behalf of Government	
4.1 Administered - Financial Assets	79
5. Funding	
5.1 Appropriations	80
5.2 Special Accounts	81
5.3 Net Cash Appropriation Arrangements	81
6. People and Relationships	
6.1 Employee Provisions	82
6.2 Key Management Personnel Remuneration	82
6.3 Related Party Disclosures	82
7. Managing Uncertainties	
7.1 Contingent Assets and Liabilities	84
7.2 Financial Instruments	84
7.3 Fair Value Measurement	85
8. Other Information	
8.1 Current/non-current distinction for assets and liabilities	86
8.2 Assets Held in Trust	86



## STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	94,760	90,482	96,061
Suppliers	1.1B	35,252	29,986	47,192
Grants		2,790	3,915	2,877
Depreciation and amortisation	3.2A	15,421	15,505	16,804
Finance costs		381	528	679
Losses from asset sales		72	1	-
<b>Total expenses</b>		<b>148,676</b>	<b>140,417</b>	<b>163,613</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Rental income		489	527	520
Other income	1.2A	953	921	950
<b>Total own-source revenue</b>		<b>1,442</b>	<b>1,448</b>	<b>1,470</b>
<b>Total own-source income</b>		<b>1,442</b>	<b>1,448</b>	<b>1,470</b>
<b>Net cost of services</b>		<b>(147,234)</b>	<b>(138,969)</b>	<b>(162,143)</b>
<b>Revenue from Government</b>				
	1.2B	146,993	134,278	153,650
<b>Deficit on continuing operations</b>		<b>(241)</b>	<b>(4,691)</b>	<b>(8,493)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation surplus		(228)	-	-
<b>Total other comprehensive income</b>		<b>(228)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss attributable to the Australian Government</b>		<b>(469)</b>	<b>(4,691)</b>	<b>(8,493)</b>

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

Original budget reflects the figures presented in the 2020–21 Portfolio Budget Statements (PBS).

## Budget variance commentary

### Statement of Comprehensive Income for the Fair Work Ombudsman and Registered Organisations Commission Entity (FWOROC)

#### *Employee benefits*

The decreased cost of leave entitlements from the impact of higher bond rates applied to the discounting calculation was the main contributor to the variance.

#### *Suppliers*

The variance primarily relates to not incurring budgeted costs of the National Labour Hire Registration Scheme, which is awaiting enabling legislation, and a COVID-19 communications campaign that did not proceed.

Lower than forecast use of contractors, and levels of travel, over the financial year also contributed to the budget variance.

#### *Depreciation*

Lower than estimated depreciation costs due to lower than forecast capital expenditure on non-financial assets.

#### *Finance costs*

Budgeted interest payments were derived from initial estimates provided by consultants prior to the finalisation of FWOROC's final version of the Department of Finance lease liability calculation tool. The final tool determined a lower value of interest payments.

#### *Losses from sale of assets*

Losses arising from the disposals of computers following the replacement of all desktop computers were not anticipated.

#### *Revenue from Government*

Funding for the National Labour Hire Registration Scheme moved forward to 2021–22 as enabling legislation has not been passed. COVID-19 communications campaign funding has been returned to Government following changes in priorities.

## STATEMENT OF FINANCIAL POSITION as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	748	708	708
Trade and other receivables	3.1B	82,682	65,534	65,534
<b>Total financial assets</b>		<b>83,430</b>	<b>66,242</b>	<b>66,242</b>
<b>Non-financial assets</b>				
Right-of-use assets	3.2	34,691	42,818	36,366
Land and buildings (leasehold improvements)	3.2	12,079	15,195	15,365
Property, plant and equipment	3.2	2,577	1,028	1,548
Intangibles	3.2	11,219	10,887	11,481
Prepayments		1,214	1,050	1,050
<b>Total non-financial assets</b>		<b>61,780</b>	<b>70,978</b>	<b>65,810</b>
<b>Total assets</b>		<b>145,210</b>	<b>137,220</b>	<b>132,052</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	7,281	3,285	3,195
Other payables	3.3B	1,839	1,389	1,389
<b>Total payables</b>		<b>9,120</b>	<b>4,674</b>	<b>4,584</b>
<b>Interest Bearing Liabilities</b>				
Leases	3.4	36,888	43,935	37,702
<b>Total interest bearing liabilities</b>		<b>36,888</b>	<b>43,935</b>	<b>37,702</b>
<b>Provisions</b>				
Employee provisions	6.1A	29,747	27,438	27,438
<b>Total provisions</b>		<b>29,747</b>	<b>27,438</b>	<b>27,438</b>
<b>Total liabilities</b>		<b>75,755</b>	<b>76,047</b>	<b>69,724</b>
<b>Net assets</b>		<b>69,455</b>	<b>61,173</b>	<b>62,328</b>
<b>EQUITY</b>				
Contributed equity		126,302	117,551	127,109
Reserves		5,753	5,981	5,981
Retained earnings (accumulated deficit)		(62,600)	(62,359)	(70,762)
<b>Total equity</b>		<b>69,455</b>	<b>61,173</b>	<b>62,328</b>

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

Original Budget reflects the figures presented in the 2020–21 PBS.

## Budget variance commentary

### Statement of Financial Position for FWOROCE

#### **Trade and other receivables**

FWOROCE received additional resources from new measures during the financial year, but was not able to expend all funds.

These resources related to the Government's COVID-19 response and the Helping Businesses to Comply with Workplace Laws measure. Savings were also made against contractor and travel expenditure.

There was lower than budgeted capital expenditure payments made during the financial year, which reduced the amount of appropriation required to be drawn to fund payments.

#### **Land and buildings (leasehold improvements) and Property, plant and equipment.**

Additional fit out expenditure provided for in the budget was not required. The delay in the upgrade of computers resulted in lower accumulated depreciation against those items and a higher written down value at 30 June 2021.

#### **Prepayments**

The variance is primarily derived from rent payments for July 2021, which was partially offset by lower amounts of software prepayments.

#### **Suppliers**

Late invoicing for technology services under the Memorandum of Understanding with Department of Education, Skills and Employment and higher amounts of external legal provider costs incurred in July have contributed to the higher than budget suppliers payable balance.

#### **Other payables**

The higher value reflects the greater number of days contributing to the salaries and wages accrual at year end.

#### **Employee provisions**

Increased balance of leave entitlements is due to increased staff numbers and reduced levels of leave taken during the financial year.

#### **Retained Earnings**

The lower than estimated deficit for the financial year resulted in a lower than budget retained earnings figure.

## STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening Balance</b>				
Balance carried forward from previous period		117,551	110,564	117,551
<b>Opening balance</b>		<b>117,551</b>	<b>110,564</b>	<b>117,551</b>
<b>Comprehensive Income</b>				
<b>Contributions by owners</b>				
Departmental capital budget	5.1A	8,751	6,987	9,558
<b>Total transactions with owners</b>		<b>8,751</b>	<b>6,987</b>	<b>9,558</b>
<b>Closing balance as at 30 June</b>		<b>126,302</b>	<b>117,551</b>	<b>127,109</b>
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening Balance</b>				
Balance carried forward from previous period		5,981	5,981	5,981
<b>Opening balance</b>		<b>5,981</b>	<b>5,981</b>	<b>5,981</b>
<b>Comprehensive Income</b>				
Revaluation	3.2	(228)	-	-
<b>Total comprehensive income</b>		<b>(228)</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 30 June</b>		<b>5,753</b>	<b>5,981</b>	<b>5,981</b>
<b>RETAINED EARNINGS</b>				
<b>Opening Balance</b>				
Balance carried forward from previous period		(62,359)	(68,223)	(62,269)
Adjustment on initial application of AASB 16		-	10,555	-
<b>Adjusted opening balance</b>		<b>(62,359)</b>	<b>(57,668)</b>	<b>(62,269)</b>
<b>Comprehensive Income</b>				
Surplus/(Deficit) for the period		(241)	(4,691)	(8,493)
<b>Total comprehensive income</b>		<b>(241)</b>	<b>(4,691)</b>	<b>(8,493)</b>
<b>Closing balance as at 30 June</b>		<b>(62,600)</b>	<b>(62,359)</b>	<b>(70,762)</b>

## STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2021

### TOTAL EQUITY

<b>Opening Balance</b>			
Balance carried forward from previous period	61,173	48,322	61,263
Adjustment on initial application of AASB 16	-	10,555	-
<b>Opening balance</b>	<b>61,173</b>	<b>58,877</b>	<b>61,263</b>
<b>Comprehensive Income</b>			
Surplus/(Deficit) for the period	(241)	(4,691)	(8,493)
Revaluation	(228)	-	-
<b>Total comprehensive income</b>	<b>(469)</b>	<b>(4,691)</b>	<b>(8,493)</b>
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental capital budget	8,751	6,987	9,558
<b>Total transactions with owners</b>	<b>8,751</b>	<b>6,987</b>	<b>9,558</b>
<b>Closing balance as at 30 June</b>	<b>69,455</b>	<b>61,173</b>	<b>62,328</b>

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

Original Budget reflects the figures presented in the 2020–21 PBS.

#### Accounting policy

##### *Equity injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) 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.

#### Budget variance commentary

##### Statement of Changes in Equity for FWOROCE

##### *Other comprehensive income*

Capital and operating funding for the National Labour Hire Registration Scheme moved forward to 2021–22 as enabling legislation has not been passed.

##### *Surplus/(Deficit) for the period*

The variance primarily relates to not incurring budgeted costs of the National Labour Hire Registration Scheme, which is awaiting enabling legislation, and a COVID-19 communications campaign that did not proceed.

Lower than forecast use of contractors, reduced travel, and lower levels of leave taken by staff also contributed to the budget variance.

## CASH FLOW STATEMENT for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		131,654	125,219	153,650
Sales of goods and rendering of services		1,392	1,408	657
Net goods and services tax (GST) received		3,213	2,983	4,499
Other		1,203	1,845	850
<b>Total cash received</b>		<b>137,462</b>	<b>131,455</b>	<b>159,656</b>
<b>Cash used</b>				
Employees		91,980	86,884	96,061
Suppliers		33,565	32,395	51,591
Net GST Paid		3	–	137
Interest payments on lease liabilities		381	528	679
Section 74 receipts transferred to Official Public Account (OPA)		3,671	4,489	2,877
<b>Total cash used</b>		<b>129,600</b>	<b>124,296</b>	<b>151,345</b>
<b>Net cash from operating activities</b>		<b>7,862</b>	<b>7,159</b>	<b>8,311</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of non-financial assets		5,584	5,033	9,558
<b>Total cash used</b>		<b>5,584</b>	<b>5,033</b>	<b>9,558</b>
<b>Net cash used by investing activities</b>		<b>(5,584)</b>	<b>(5,033)</b>	<b>(9,558)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		5,584	4,996	9,558
<b>Total cash received</b>		<b>5,584</b>	<b>4,996</b>	<b>9,558</b>
<b>Cash used</b>				
Principal payments of lease liabilities		7,822	8,025	8,311
<b>Total cash used</b>		<b>7,822</b>	<b>8,025</b>	<b>8,311</b>
<b>Net cash from/(used by) financing activities</b>		<b>(2,238)</b>	<b>(3,029)</b>	<b>1,247</b>
<b>Net increase/(decrease) in cash held</b>		<b>40</b>	<b>(903)</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period		708	1,611	708
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>748</b>	<b>708</b>	<b>708</b>

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

Original Budget reflects the figures presented in the 2020–21 PBS.



## Budget variance commentary

### Cash Flow Statement for FWOROCE

#### *Operating activities*

##### ***Appropriations***

The variance primarily relates to not incurring budgeted costs of the National Labour Hire Registration Scheme, which is awaiting enabling legislation, and a COVID-19 communications campaign that did not proceed.

Lower than forecast use of contractors, reduced travel, and lower levels of leave taken by staff also contributed to the budget variance.

##### ***Sales of goods and rendering of services and section 74 receipts***

Receipt of outstanding balance from 30 June 2020 resulted in a higher than budget amount received for the sale of goods and rendering of services and the subsequent remittance to OPA.

##### ***Net goods and services tax received and Suppliers***

The variance primarily relates to not incurring budgeted costs of the National Labour Hire Registration Scheme, which is awaiting enabling legislation, and a COVID-19 communications campaign that did not proceed.

Lower than forecast use of contractors, reduced travel, and lower levels of leave taken by staff also contributed to the budget variance.

##### ***Employees***

The variance was the result of the delay in the payment of the scheduled salary increase in the current Enterprise Agreement, lower than estimated payments of leave balances on staff transfers to other agencies or terminations.

##### ***Net GST Paid***

Cash flow budget calculation in CBMS assumes all income is GST inclusive, whereas the majority of FWOROCE income is derived from other Commonwealth entities and does not attract GST.

##### ***Interest payments on lease liabilities***

Budgeted interest payments were derived from initial estimates provided by consultants prior to the finalisation of FWOROCE's final version of the Department of Finance lease liability calculation tool. The final tool determined a lower value of interest payments.

##### ***Investing activities***

###### ***Purchase of non-financial assets***

Lower than planned expenditure on non-financial assets was due to savings made against planned property fit outs and fewer than estimated projects being undertaken. Capital funding for the National Labour Hire Registration Scheme moved forward to 2021–22 as enabling legislation has not been passed.

##### ***Financing activities***

###### ***Contributed equity***

A lower amount of funds were required to be drawn from cash reserves to fund the lower than expected non-financial asset purchases.

## ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
Expenses				
Write-down and impairment of assets	2.1	1,599	3,513	–
<b>Total expenses</b>		<b>1,599</b>	<b>3,513</b>	<b>–</b>
<b>Income</b>				
Non-taxation revenue				
Sale of goods and rendering of services		–	–	2,357
Fees and fines	2.2A	5,292	7,631	2,600
<b>Total income</b>		<b>5,292</b>	<b>7,631</b>	<b>4,957</b>
<b>Net contribution by services</b>		<b>3,693</b>	<b>4,118</b>	<b>4,957</b>
<b>Surplus</b>		<b>3,693</b>	<b>4,118</b>	<b>4,957</b>

## OTHER COMPREHENSIVE INCOME

<b>Total Other Comprehensive Income</b>	–	–	–
<b>Total Comprehensive Income</b>	<b>3,693</b>	<b>4,118</b>	<b>4,957</b>

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

Original Budget reflects the figures presented in the 2020–21 PBS.

### Budget variance commentary

#### Administered Schedule of Comprehensive Income for FWOROCE

##### *Write down and impairment of assets*

The assessment of recoverability of the penalties awarded by the courts against employers and directors of employing entities has resulted in the impairment of the administered debtors established to recognise the court penalties. The amount of unrecoverable court penalties are unable to be accurately estimated when budgets are developed.

##### *Sale of goods and rendering of services*

The budget provided for receipts from services related to the establishment of a National Labour Hire Registration Scheme. Delays in the passing of legislation to enable to establishment of the National Labour Hire Registration Scheme has meant those services were not able to be provided and fees were unable to be charged.

##### *Fees and fines*

The quantum of penalties handed down by the courts where FWOROCE has brought forward successful litigations are unable to be accurately estimated at the time of establishing budgets.

## ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Trade and other receivables	4.1A	4,083	5,159	4,909
Other financial assets	4.1B	355	1,713	1,181
<b>Total financial assets</b>		<b>4,438</b>	<b>6,872</b>	<b>6,090</b>
<b>Total assets administered on behalf of Government</b>		<b>4,438</b>	<b>6,872</b>	<b>6,090</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Other payables		-	-	-
<b>Total payables</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of Government</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>4,438</b>	<b>6,872</b>	<b>6,090</b>

The above schedule should be read in conjunction with the accompanying notes.  
Original Budget reflects the figures presented in the 2020–21 PBS.

### Budget variance commentary

#### Administered Schedule of Assets and Liabilities for FWOROCE

##### *Trade and other receivables*

The lower than budget amount of trade and other receivables reflects the higher than expected level of write-downs of outstanding court penalties during the financial year.

##### *Other financial assets*

Penalties handed down by the courts post the end of the financial year are required to be accrued into the financial statements up to the signing date. The quantum of these penalties are unable to be accurately estimated at the time of establishing budgets. Lower penalties than anticipated have been handed down.

## ADMINISTERED RECONCILIATION SCHEDULE as at 30 June 2021

	2021 \$'000	2020 \$'000
Opening assets less liabilities as at 1 July	6,872	7,228
<b>Net (cost of)/contribution by services</b>		
Income	5,292	7,631
Expenses	(1,599)	(3,513)
<b>Transfers to/from Australian Government:</b>		
Transfers to OPA	(6,122)	(4,457)
Transfers to OPA by other agencies	(5)	(17)
Closing assets less liabilities as at 30 June	4,438	6,872

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

### Accounting policy

#### *Administered cash transfers to and from the OPA*

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) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the agency on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

## ADMINISTERED CASH FLOW STATEMENT for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Fees and fines		6,122	4,457
<b>Total cash received</b>		<b>6,122</b>	<b>4,457</b>
<b>Net cash from operating activities</b>		<b>6,122</b>	<b>4,457</b>
<b>Net increase in cash held</b>		<b>6,122</b>	<b>4,457</b>
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash from the OPA</b>			
Administered accounts		(6,122)	(4,457)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>-</b>	<b>-</b>

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## for the period ending 30 June 2021

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### Overview

#### The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and 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 statements are presented in Australian dollars and values are rounded to the nearest thousand dollars.

#### New Australian Accounting Standards

All new, revised and amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

#### Taxation

The agency is exempt from all forms of taxation except fringe benefits tax (FBT) and GST.

#### Impact of COVID-19 Pandemic

The COVID-19 pandemic has resulted in a significant increase in demand for the agency's services, particularly with calls to the agency's Infoline, as the economic impact was felt across the country. The Government provided additional resources to the agency to increase its capacity to deal with the demand, including increasing the number of Infoline and Legal staff. The funds were also used to establish a panel of legal firms to which customers could be referred to obtain advice on workplace laws and to provide funds to employee and employer groups to supplement their existing advice services. In general, the agency's activities did not change in nature, but additional costs related to telecommunications and technology were incurred in ensuring staff were able to work remotely, while other costs, such as travel were reduced during the period.

The valuation assessment conducted on the agency's leasehold improvement and property, plant and equipment included the review of the impact on assets values due to the COVID-19 pandemic. The agency has concluded that COVID-19 has not had a material impact on the fair value of these assets.

#### Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Events After the Reporting Date

##### Departmental

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

##### Administered

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

# 1. Departmental Financial Performance

This section analyses the financial performance of FWOROCE for the year ended 2021

## 1.1 Expenses

	2021 \$'000	2020 \$'000
<b>1.1A: Employee Benefits</b>		
Wages and salaries	68,269	63,603
Superannuation:		
Defined contribution plans	9,244	8,608
Defined benefit plans	3,923	3,822
Leave and other entitlements	11,726	13,099
Separation and redundancies	1,017	831
Other employee expenses	581	519
<b>Total employee benefits</b>	<b>94,760</b>	<b>90,482</b>

### Accounting policy

Accounting policies for employee-related expenses are contained in the People and Relationships section (p.82).

## 1.1B: Suppliers

<b>Goods and services supplied or rendered</b>		
Contractors	5,969	2,687
IT Services	9,080	8,482
Legal fees	7,039	5,286
Property outgoings	2,702	2,589
Travel	376	1,819
Training	1,164	776
Telecommunications	1,605	1,584
Software licensing, support and maintenance	1,359	1,010
Consultants	330	556
Other	4,694	3,877
<b>Total goods and services supplied or rendered</b>	<b>34,318</b>	<b>28,666</b>
Goods supplied	2,008	1,734
Services rendered	32,310	26,932
<b>Total goods and services supplied or rendered</b>	<b>34,318</b>	<b>28,666</b>
<b>Other suppliers</b>		
Workers compensation expenses	283	640
Operating lease rentals <sup>1</sup>	651	680
<b>Total other suppliers</b>	<b>934</b>	<b>1,320</b>
<b>Total suppliers</b>	<b>35,252</b>	<b>29,986</b>

The FWOROCE has short-term property lease commitments of \$98,888 and short-term motor vehicle lease commitments of \$173,816 as at 30 June 2021.

The above lease disclosures should be read in conjunction with the accompanying notes 3.2 and 3.4A.

### Accounting policy

#### Short-term leases and leases of low-value assets

The FWOROCE has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



## 1.2 Own-Source Revenue and Gains

Own-Source Revenue	2021 \$'000	2020 \$'000
<b>1.2A: Other Income</b>		
Resources received free of charge-audit fees	75	75
Other income	878	846
<b>Total other income</b>	<b>953</b>	<b>921</b>

### Accounting policy

#### *Resources received free of charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. 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.

### **1.2B: Revenue from Government**

Appropriations		
Departmental appropriations	146,993	134,278
<b>Total revenue from Government</b>	<b>146,993</b>	<b>134,278</b>

### Accounting policy

#### *Revenue from Government*

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government 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.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

## 2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that FWOROCE does not control but administers on behalf of Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 2.1 Administered-Expenses

	2021 \$'000	2020 \$'000
<b>Write-Down and Impairment of Assets</b>		
Impairment of financial instruments	1,599	3,513
<b>Total write-down and impairment of assets</b>	<b>1,599</b>	<b>3,513</b>

#### Accounting policy

Litigations undertaken by the agency may result in penalties being handed down by the courts against employers and directors of the employing entity. These penalties are held as administered debtors in the accounts of the agency. An assessment of the recoverability of the debt is carried out by the agency's Legal Branch and if a debt is deemed to not be recoverable, a provision is established against the debtor and that associated cost is expensed.

### 2.2 Administered-Income

<b>Revenue</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
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#### Accounting policy

All administered revenues are revenues relating to ordinary activities performed by the agency on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual agency that oversees distribution of the funds as directed.

#### 2.2A: Fees and Fines

Court-awarded penalties	2,718	4,990
Infringement notices	541	1,046
Other fees from regulatory services	2,033	1,595
<b>Total fees and fines</b>	<b>5,292</b>	<b>7,631</b>

#### Accounting policy

Revenue comprises court-awarded penalties and infringement notices relating to breaches of either the Workplace Relations Act 1996 or the Fair Work Act 2009 and contrition payments made to FWOROCE under the terms of Enforceable Undertakings. The court-awarded penalty and Enforceable Undertaking revenues are recognised at the nominal amount due less any impairment allowance. The collectability of debts is reviewed at each reporting date by the agency's Legal Branch. Impairment allowances are made when some doubt exists as to the collectability of the debt. Revenue from infringement notices is recognised on receipt of payment.

### 3. Departmental Financial Position

This section analyses the FWOROCE assets used to conduct its operations and the operating liabilities incurred as a result.

Employee-related information is disclosed in the People and Relationships section (p.82)

#### 3.1 Financial Assets

	2021 \$'000	2020 \$'000
<b>3.1A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	640	603
Cash held by contracted agents	108	105
<b>Total cash and cash equivalents</b>	<b>748</b>	<b>708</b>

##### Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

#### 3.1B: Trade and Other Receivables

##### Goods and services receivable

Goods and services	437	290
<b>Total goods and services receivables</b>	<b>437</b>	<b>290</b>

##### Appropriations receivables

Appropriation receivable	81,711	63,205
<b>Total appropriations receivables</b>	<b>81,711</b>	<b>63,205</b>

##### Other receivables

GST receivable from the ATO	324	501
Other	210	1,538
<b>Total other receivables</b>	<b>534</b>	<b>2,039</b>
<b>Total trade and other receivables</b>	<b>82,682</b>	<b>65,534</b>

No provision for impairment is provided for as at balance date.

Credit terms for goods and services were within 20 days (2020: 30 days).

##### Accounting policy

###### Trade and other receivables

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

###### Impairment of financial assets

Financial assets are assessed for credit risk on initial recognition and subsequently assessed for impairment at the end of each reporting period.

## 3.2 Non-Financial Assets

### 3.2: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

#### Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2021

	Right-of-use Assets \$'000	Land and buildings (leasehold improvements) \$'000	Property, plant and equipment \$'000	Intangibles (computer software) <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2020</b>					
Gross book value	51,491	31,208	5,902	44,552	133,153
Accumulated depreciation, amortisation and impairment	(8,673)	(16,013)	(4,874)	(33,665)	(63,225)
<b>Total as at 1 July 2020</b>	<b>42,818</b>	<b>15,195</b>	<b>1,028</b>	<b>10,887</b>	<b>69,928</b>
<b>Additions</b>					
Purchase	-	-	2,610	2,974	5,584
Revaluations and impairments through equity	-	(228)	-	-	(228)
Reclassification	-	(6)	6	-	-
Depreciation and amortisation	-	(2,882)	(995)	(2,642)	(6,519)
Depreciation on right-of-use assets	(8,902)	-	-	-	(8,902)
Other movements of right-of-use assets	775	-	-	-	775
Disposals	-	-	-	-	-
Other	-	-	(72)	-	(72)
<b>Total as at 30 June 2021</b>	<b>34,691</b>	<b>12,079</b>	<b>2,577</b>	<b>11,219</b>	<b>60,566</b>
<b>Total as at 30 June 2021 represented by</b>					
Gross book value	52,266	21,224	6,474	47,526	127,490
Accumulated depreciation, amortisation and impairment	(17,575)	(9,145)	(3,897)	(36,307)	(66,924)
<b>Total as at 30 June 2021</b>	<b>34,691</b>	<b>12,079</b>	<b>2,577</b>	<b>11,219</b>	<b>60,566</b>
Carrying amount of right-of-use assets	34,691	-	-	-	34,691

1. The carrying amount of computer software comprises internally generated software.

No indicators of impairment were found for land and buildings (leasehold improvements). The agency will continue to review its land and buildings (leasehold improvements) holdings to ensure suitable levels of office space are leased and any opportunities for rationalisation are taken. This may result in some leases not being renewed when they expire. However, the agency has no plans to reduce its presence in capital cities or regional locations.

The FWORCE has 4 properties that have leasehold improvements where the lease is due for renewal or cessation within the next 12 months.

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

#### Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4

In March 2021, AON Global Risk Consulting Pty Ltd, an independent valuer, conducted a valuation assessment of the agency's non-financial assets. As a result of this valuation exercise, the carrying value of land and buildings at 30 June 2021 were decreased by \$0.228 million.

#### Accounting policy

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. Non-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 income 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's accounts immediately prior to the restructuring.

#### Asset recognition threshold

Purchases of land and buildings (leasehold improvements), property, plant and equipment are recognised initially at cost in the statement of financial position, 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 'make good' recognised.

#### **Lease Right-of-use (ROU) Assets**

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received.

On initial adoption of AASB 16 the FWORCE has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

#### **Revaluations**

Following initial recognition at cost, land and buildings (leasehold improvements, excludes ROU assets), property, plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

#### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated 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 useful lives:

	2021	2020
Leasehold improvements	Lesser of term and useful life	Lesser of term and useful life
Plant and equipment	5 years	5 years
Computer equipment	3–8 years	3–8 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

#### **Impairment**

All assets were assessed for impairment at 30 June 2021. 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 of disposal 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 were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### **Derecognition**

An item of land and buildings (leasehold improvements), property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

#### **Intangibles**

The agency's intangibles comprise internally developed 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 anticipated useful life. The useful lives of the agency's software are three years (2020: three years).

All software assets were assessed for indications of impairment as at 30 June 2021.

### 3.3 Payables

	2021 \$'000	2020 \$'000
<b>3.3A: Suppliers</b>		
Trade creditors and accruals	7,281	3,285
<b>Total suppliers</b>	<b>7,281</b>	<b>3,285</b>

Settlement is usually made net 30 days.

#### 3.3B: Other Payables

Salaries and wages	1,839	1,389
<b>Total other payables</b>	<b>1,839</b>	<b>1,389</b>

#### Accounting policy

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

### 3.4 Interest Bearing Liabilities

	2021 \$'000	2019 \$'000
<b>3.4A: Leases</b>		
Lease liabilities	36,888	43,935
<b>Total leases</b>	<b>36,888</b>	<b>43,935</b>

Total cash outflow for leases for the year ended 30 June 2021 was \$7.822 million.

#### Maturity analysis – contractual undiscounted cash flows

Within 1 year	9,857	9,765
Between 1 to 5 years	26,791	32,905
More than 5 years	4,763	7,900
<b>Total Leases</b>	<b>41,411</b>	<b>50,570</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B and 3.2.

#### Accounting policy

For all new contracts entered into, the FWOROCE considers whether the contract is, or contains a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is measured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

## 4. Assets and Liabilities Administered on Behalf of Government

This section analyses the assets and liabilities that FWORCE does not control but administers on behalf of Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 4.1 Administered—Financial Assets

#### 4.1A: Trade and Other Receivables

	2021 \$'000	2020 \$'000
<b>Other receivables</b>		
Court-awarded penalties	8,347	9,542
<b>Total trade and others receivables (gross)</b>	<b>8,347</b>	<b>9,542</b>
<b>Less Impairment loss allowance</b>		
Other receivables–Court-awarded penalties	(4,264)	(4,383)
<b>Total trade and others receivables (net)</b>	<b>4,083</b>	<b>5,159</b>

All receivables are expected to be settled within 12 months.

#### Accounting policy

##### *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, derecognition and amortisation are recognised through profit or loss. Administered receivables represents debts owed to the agency by employers, workers and organisations as a result of court-awarded penalties.

#### 4.1B: Other Financial Assets

Accrued revenue	355	1,713
<b>Total other financial assets</b>	<b>355</b>	<b>1,713</b>

All other financial assets are expected to be settled within 12 months.

## 5. Funding

This section identifies the FWOROCE funding structure.

### 5.1 Appropriations

#### 5.1A: Annual Appropriations ('Recoverable GST exclusive')

##### Annual Appropriation for 2021

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to Appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation Applied in 2021 (current and prior Years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	146,993	3,671	150,664	135,325	15,339
Capital Budget <sup>4</sup>	8,751	–	8,751	5,584	3,167
<b>Total departmental</b>	<b>155,744</b>	<b>3,671</b>	<b>159,415</b>	<b>140,909</b>	<b>18,506</b>

##### Notes

1. Appropriation related to the National Labour Hire Registration Scheme (\$2.657 million of Ordinary annual services and \$0.807 million of Capital Budget) have been withheld (Section 51 of the PGPA Act) due to the enabling legislation not yet being passed. A further \$4.000 million related to a COVID-19 communications campaign was withheld under Section 51 during the period, after it was decided not to proceed with the campaign.
2. Adjustments to Appropriation in 2020–21 comprised PGPA Act Section 74 receipts of \$3.671 million.
3. The variance between total appropriation and appropriation applied in 2021 relates to unutilised funds from lower than budgeted expenditure, higher trade creditors and accruals, and delays in capital projects.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the appropriation acts.

##### Annual Appropriation for 2020

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to Appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation Applied in 2020 (current and prior Years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	134,278	4,489	138,767	129,708	9,059
Capital Budget <sup>4</sup>	6,987	–	6,987	4,996	1,991
<b>Total departmental</b>	<b>141,265</b>	<b>4,489</b>	<b>145,754</b>	<b>134,704</b>	<b>11,050</b>

##### Notes

1. Appropriation related to the National Labour Hire Registration Scheme (\$2.657 million of Ordinary annual services and \$0.807 million of Capital Budget) was quarantined for administrative purposes by the Department of Finance, due to the enabling legislation not yet being passed.
2. Adjustments to Appropriation in 2019–20 comprised PGPA Act Section 74 receipts of \$4.489 million.
3. The variance between total appropriation and appropriation applied in 2020 relates to payments funded from unspent prior year appropriation items.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the appropriation acts. The 2019–20 DCB was reduced in value from that initially reported in the 2019–20 PBS by \$0.036 million following the imposition of an increase to the Efficiency Dividend in June 2019.

#### 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

##### Departmental

	2021 \$'000	2020 \$'000
2019-20 Appropriation Act 1 – Ordinary Annual Services	2,657	56,565
2019-20 Appropriation Act 1 – Capital Budget (DCB) - Non Operating	807	3,942
2019-20 Appropriation Act 3 – Ordinary Annual Services	–	1,039
2019-20 Appropriation Act 5 – Ordinary Annual Services	–	2,367
2020-21 Supply Act 1 – Ordinary Annual Services	57,321	–
2020-21 Supply Act 1 – Capital Budget (DCB) - Non Operating	2,995	–
2020-21 Appropriation Act 1 – Ordinary Annual Services	15,372	–
2020-21 Appropriation Act 1 – Capital Budget (DCB) - Non Operating	3,307	–
<b>Total</b>	<b>82,459</b>	<b>63,913</b>



Unspent appropriation includes cash and cash equivalents on hand at 30 June.  
Represented by:

Appropriations receivable	81,711	63,205
Cash	748	708
	82,459	63,913

#### 5.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation Applied 2021 \$'000	Appropriation Applied 2020 \$'000
Fair Work Act 2009 s 559(4) Administered	Unlimited	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.	937	515
Total special appropriations applied			937	515

## 5.2 Special Accounts

	ROC Special Account <sup>1</sup>	
	2021 \$'000	2020 \$'000
Balance brought forward from previous period	1,340	3,231
Increases	5,306	5,278
Total increases	5,306	5,278
Available for payments	6,646	8,509
Decreases	5,509	7,169
Total decreases	5,509	7,169
Total balance carried to the next period	1,137	1,340
Balance represented by:		
Cash held in the agency bank account	-	-
Cash held in the OPA	1,137	1,340
Total balance carried forward to next period	1,137	1,340

1. Appropriation: PGPA Act, section 80.

Establishing Instrument: Fair Work (Registered Organisations) Amendment Act 2016, section 329EA.

Purpose: Paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commissioner's functions.

## 5.3 Net Cash Appropriation Arrangements

	2021 \$'000	2020 \$'000
Total comprehensive income/(loss) – as per the Statement of Comprehensive Income	7,130	2,789
Plus: depreciation / amortisation of assets funded through appropriations (departmental capital budget funding and / or equity injections <sup>1</sup> )	(6,519)	(6,832)
Plus: depreciation right-of-use assets <sup>2</sup>	(8,902)	(8,673)
Less: principal repayments – leased assets <sup>2</sup>	7,822	8,025
Total comprehensive loss-as per the Statement of Comprehensive Income	(469)	(4,691)

1. From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

## 6. People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 6.1 Employee Provisions

	2021 \$'000	2020 \$'000
<b>6.1A: Employee Provisions</b>		
Leave	29,709	27,411
Other	38	27
<b>Total employee provisions</b>	<b>29,747</b>	<b>27,438</b>

#### Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, 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 FRR.

#### Separation and redundancy

Provision is made for separation and redundancy benefit payments. The agency recognises a provision for termination 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

The agency's staff are members of either the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

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

The superannuation liability recognised at 30 June represents outstanding contributions.

#### Accounting judgments and estimates

In the process of applying the accounting policies listed in this note, the agency has made the following judgements that have significant impact on the amounts recorded in the financial statements:- the Australian Government shorthand method has been used to estimate the present value of long service leave liabilities. This involves the estimation of salary growth rates, discount rates, the probability of leave vesting and the amount of leave expected to be settled in service.

## 6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Attorney-General and Minister for Industrial Relations, the Chief Executive, members of the Corporate Board and the Registered Organisations Commissioner. Key management personnel remuneration is reported in the table below:

	2021 \$'000	2020 \$'000
Short-term employee benefits	1,964	2,023
Post-employment benefits	313	310
Other long-term employee benefits	68	68
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>2,345</b>	<b>2,401</b>

Notes: The total number of senior management personnel that are included in the above table is 6 (2020: 6)

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

## 6.3 Related Party Disclosures

### Related party relationships:

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister, members of the Corporate Board and the Registered Organisations Commissioner.

### Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

## 7. Managing Uncertainties

This section analyses how the FWOROCE manages financial risks within its operating environment.

### 7.1 Contingent Assets and Liabilities

#### 7.1A: Contingent Assets and Liabilities

##### Quantifiable Contingencies

At 30 June 2021, the agency has no quantifiable contingent assets. (2020: nil)

At 30 June 2021, the agency has no quantifiable contingent liabilities. (2020: nil)

##### Unquantifiable contingencies

At 30 June 2021, the agency has no unquantifiable contingent assets. (2020: nil)

At 30 June 2021, the agency has no unquantifiable contingent liabilities. (2020: nil)

##### Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability 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.

#### 7.1B: Administered-Contingent Assets and Liabilities

##### Quantifiable Administered Contingencies

At 30 June 2021, the agency has no quantifiable administered contingent assets. (2020: nil)

At 30 June 2021, the agency has no quantifiable administered contingent liabilities. (2020: nil)

##### Unquantifiable Administered Contingencies

At 30 June 2021, the agency is currently involved in litigation against 91 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. (2020: 76)

At 30 June 2021, the agency has no unquantifiable administered contingent liabilities. (2020: nil)

### 7.2 Financial Instruments

	2021 \$'000	2020 \$'000
<b>7.2A: Categories of Financial Instruments</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	748	708
Goods and services receivables	437	290
Other receivables	210	1,538
<b>Total loans and receivables</b>	<b>1,395</b>	<b>2,536</b>
<b>Total financial assets</b>	<b>1,395</b>	<b>2,536</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers	7,281	3,285
<b>Total financial liabilities measured at amortised cost</b>	<b>7,281</b>	<b>3,285</b>
<b>Total financial liabilities</b>	<b>7,281</b>	<b>3,285</b>

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

##### Accounting policy

##### Financial assets

In accordance with AASB 9 Financial Instruments, the entity classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

#### **Financial Assets at Amortised Cost**

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

#### **Effective Interest Method**

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

#### **Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

#### **Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

#### **Impairment of Financial Assets**

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

#### **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### **Financial Liabilities at Fair Value Through Profit or Loss**

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### **Financial Liabilities at Amortised Cost**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier 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).

## 7.3 Fair Value Measurement

### **Accounting policy**

The fair value of non-financial assets has been taken to be the market value of similar assets.

The agency's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

The agency procured valuation services from AON Global Risk Consulting Pty Ltd for the 2020–21 financial year and relied on valuation models provided by AON. AON provided written assurance to the agency that the valuation models developed are in accordance with AASB 13.

### **7.3: Fair Value Measurement**

	Fair value measurements at the end of the reporting period	
	2021 \$'000	2020 \$'000
<b>Non-financial assets</b>		
Land and buildings (leasehold improvements)	12,079	15,195
Property, plant and equipment	2,577	1,028
<b>Total fair value measurements of assets in the Statement of Financial Position</b>	<b>14,656</b>	<b>16,223</b>

There is no significant change in the valuation technique since the prior year.

## 8. Other information

### 8.1 Current/non-current distinction for assets and liabilities

#### 8.1A: Current/non-current distinction for assets and liabilities

	2021 \$'000	2020 \$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	748	708
Trade and other receivables	82,682	65,534
Prepayments	1,214	1,050
<b>Total no more than 12 months</b>	<b>84,644</b>	<b>67,292</b>
<b>More than 12 months</b>		
Right-of-use assets	34,691	42,818
Land and buildings (leasehold improvements)	12,079	15,195
Property, plant and equipment	2,577	1,028
Intangibles	11,219	10,887
<b>Total more than 12 months</b>	<b>60,566</b>	<b>69,928</b>
<b>Total assets</b>	<b>145,210</b>	<b>137,220</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	7,281	3,285
Other payables	1,839	1,389
Leases	8,660	8,458
Employee provisions	11,636	12,635
<b>Total no more than 12 months</b>	<b>29,416</b>	<b>25,767</b>
<b>More than 12 months</b>		
Leases	28,228	35,477
Employee provisions	18,111	14,803
<b>Total more than 12 months</b>	<b>46,339</b>	<b>50,280</b>
<b>Total liabilities</b>	<b>75,755</b>	<b>76,047</b>

#### 8.1B: Current/non-current distinction for Administered Assets and Liabilities

	2021 \$'000	2020 \$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Trade and other receivables	4,083	5,159
Other financial assets	355	1,713
<b>Total no more than 12 months</b>	<b>4,438</b>	<b>6,872</b>
<b>More than 12 months</b>		
<b>Total more than 12 months</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>4,438</b>	<b>6,872</b>

## 8.1 Current/non-current distinction for assets and liabilities *(continued)*

### Liabilities expected to be settled in:

#### No more than 12 months

Total no more than 12 months	-	-
------------------------------	---	---

#### More than 12 months

Total more than 12 months	-	-
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Total liabilities	-	-
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## 8.2 Assets Held in Trust

### 8.2A: 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.

	2021 \$'000	2020 \$'000
<b>Monetary Assets</b>		
As at 1 July	3,719	2,905
Receipts	2,076	1,329
Payments	(937)	(515)
<b>Total monetary assets held in trust as at 30 June</b>	<b>4,858</b>	<b>3,719</b>

The values above are at fair value.

# 06: Reference materials



Reporting on specific legislation	89
Glossary	90
Abbreviations and acronyms	92
List of requirements	94
Index	98
Correction	102
Contact	104



## Reporting on specific legislation

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Legislation	Section
Section 311A Commonwealth Electoral Act 1918	Advertising (page 49)
Section 516A Environment Protection and Biodiversity Conservation Act 1999	Property and environmental management (page 45)
Part II Freedom of Information Act 1982	Freedom of information (page 48)
Schedule 2, Part 4 Work Health and Safety Act 2011	Work health and safety (page 45)
Section 329FC of the Registered Organisations Act	ROC priorities and activities (page 30)

# Glossary

## Annual performance statement

A requirement under the PGPA Act, the statement provides a line of sight between planned non-financial performance outlined in a corporate plan and actual performance over the reporting period.

## Appropriation

An amount of public money that parliament authorises for spending on a particular purpose.

## APS Employee Census

An online, confidential and voluntary survey that tracks the views of APS employees about leadership, their workplace and conditions of work. The results are a key source of information for the State of the Service report.

## AusTender

The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.

## 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 Public Service Act 1999.

## Comcare

An insurer, regulator and scheme manager that supports healthy and safe workplaces, and reduces harm and injury.

## Common law contract

An individual contract of employment between an employer and an employee that is not lodged or certified under federal or state legislation but is subject to award requirements and provisions.

## Compliance notice

A notification that legally requires a person to do certain things to fix alleged entitlement-based Fair Work Act breaches. Non-compliance with these notices is actionable in a court and can result in penalties.

## Corporate governance

The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

## Corporate plan

A primary strategic planning document that sets out objectives, capabilities and intended results over a 4-year period in accordance with stated purposes. The plan should provide a clear line of sight with the relevant annual performance statement, portfolio budget statement and annual report.

## Customer Service Charter

A public statement about the services the FWO will provide, what customers can expect and what they should do if unsatisfied.

## Digital display

Digital display is advertising on websites, apps or social media through banners or other advertising formats made of text, images, flash, video and audio.

## Enforceable undertakings (EUs)

Legally binding documents that set out a company's written commitment to address workplace contraventions and prevent future breaches.

## Enterprise agreement

A legally enforceable 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 Act 2009

The principal Commonwealth law governing Australia's workplace relations system.

## Fair Work (Registered Organisations) Act 2009

The legislation that covers the registration and accountability of federally registered unions and employer associations.

## Fair Work Amendment (Protecting Vulnerable Workers) Act 2017

This amendment to the Fair Work Act increased penalties for serious contraventions of workplace laws and breaches of record-keeping and pay slip obligations, and changed laws relating to certain franchisors and holding companies. For more information on the changes, visit [www.fairwork.gov.au/PVWAct](http://www.fairwork.gov.au/PVWAct).

## Find my award tool

An online tool that helps customers determine their award coverage.

## Freedom of Information Act 1982 (FOI Act)

This legislation gives people the right to request access to government-held information. This includes information about individuals and government policies and decisions.

## Grant

Commonwealth financial assistance covered by the Commonwealth Grants Rules and Guidelines.

## Individual flexibility agreement

A written agreement used by an employer and employee to change the effect of certain clauses in their award or registered agreement – making alternative arrangements that better suit the needs of the employer and employee. Other known term: flexibility term.

## Infringement notice (IN)

Infringement notices are on-the-spot fines issued to employers for breaching record-keeping and pay slip requirements under the Fair Work Act.

## Key performance indicators (KPIs)

Financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.

## Memorandum of Understanding

A written agreement between the FWO and another organisation outlining how the collaboration will create and maintain harmonious, productive and cooperative workplaces and promote a level playing field for businesses in specific industries. The formal agreements are publicly available at [www.fairwork.gov.au/about-us/our-policies](http://www.fairwork.gov.au/about-us/our-policies).

## Migrant Workers' Taskforce

A cross-agency taskforce that aims to identify further proposals for improvements in law, law enforcement and investigation, and other practical measures to more quickly identify and rectify any cases of migrant worker exploitation.

## My account

Online self-service gateway where customers set up an account and save tailored information such as pay rates, access previous searches and submit online enquiries.

## Online Learning Centre

An online hub offering interactive courses for employers and employees to develop their workplace skills.

## Outcomes

Desired results, impacts or consequences for the Australian public resulting from the Government's actions.

## Pay and Conditions Tool (PACT)

An online tool that combines a pay, shift, leave and notice and redundancy calculator. It can be accessed on mobile devices and enables calculations to be saved for later reference.

## Portfolio Budget Statements (PBS)

A budget-related paper detailing initiatives and budget appropriations in terms of planned government outcomes and programs.

## Program/Programme

Government programs deliver benefits, services or transfer payments to individuals, industry, business or the community and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.

## Public Governance, Performance and Accountability (PGPA) Act 2013

The primary piece of Commonwealth resource management legislation; replaced the Financial Management and Accountability Act 1997 on 1 July 2014.

## Public Service Act 1999

The principal Commonwealth law providing for the establishment and management of the APS.

## Purchaser-provider arrangements

Arrangements under which the outputs of an agency are purchased by another agency to contribute to outcomes. Purchaser-provider arrangements can occur between Commonwealth agencies or between Commonwealth agencies and state/territory government or private sector bodies.

## Purpose

The objectives, functions or role of the entity or company. In relation to performance management, purposes are the reasons or ideal state or outcomes, for which the entity or company undertakes its activities.

## Record my hours

An application that is designed to assist employees record their hours of work.

## Small business

A business that employs fewer than 20 employees.

## Abbreviations and acronyms

<b>ABS</b>	Australian Bureau of Statistics
<b>ACT</b>	Australian Capital Territory
<b>AEC</b>	Australian Electoral Commission
<b>APS</b>	Australian Public Service
<b>APSC</b>	Australian Public Service Commission
<b>ATO</b>	Australian Taxation Office
<b>AWU</b>	Australian Workers Union
<b>CEGP</b>	Community Engagement Grants Program
<b>CN</b>	Compliance notice
<b>EL1</b>	Executive Level 1
<b>EL2</b>	Executive Level 2
<b>EU</b>	Enforceable undertaking
<b>Fair Work Act</b>	Fair Work Act 2009
<b>FOI</b>	Freedom of Information
<b>FOI Act</b>	Freedom of Information Act 1982
<b>FRAC</b>	Fast food, restaurant and café
<b>FWO</b>	Fair Work Ombudsman
<b>FWOROCE</b>	Fair Work Ombudsman and Registered Organisations Commission Entity
<b>GST</b>	Goods and services tax
<b>IPP</b>	Indigenous Procurement Policy
<b>IPS</b>	Information Publication Scheme
<b>IT</b>	Information technology
<b>KMP</b>	Key Management Personnel
<b>KPI</b>	Key performance indicator
<b>NSW</b>	New South Wales
<b>NT</b>	Northern Territory
<b>OAIC</b>	Office of the Australian Information Commissioner
<b>ORPs</b>	Officer and related party disclosures
<b>PACT</b>	Pay and Conditions Tool
<b>PBS</b>	Portfolio Budget Statements
<b>PGPA Act</b>	Public Governance, Performance and Accountability Act 2013
<b>PSM</b>	Public Service Medal
<b>QLD</b>	Queensland
<b>ROC</b>	Registered Organisations Commission
<b>SA</b>	South Australia

<b>SES</b>	Senior Executive Service
<b>SME</b>	Small and medium enterprises
<b>TAS</b>	Tasmania
<b>TURC</b>	Royal Commission into Trade Union Governance and Corruption
<b>VIC</b>	Victoria
<b>WA</b>	Western Australia

# List of requirements

PGPA Rule reference	Part of report	Description	Requirement	Page/s
<b>17AD(g)</b>	<b>Letter of transmittal</b>			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	iii
<b>17AD(h)</b>	<b>Aids to access</b>			
17AJ(a)		Table of contents.	Mandatory	iv
17AJ(b)		Alphabetical index.	Mandatory	98–101
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	92–93
17AJ(d)		List of requirements.	Mandatory	94–97
17AJ(e)		Details of contact officer.	Mandatory	104
17AJ(f)		Entity's website address.	Mandatory	104
17AJ(g)		Electronic address of report.	Mandatory	104
<b>17AD(a)</b>	<b>Review by accountable authority</b>			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	1
<b>17AD(b)</b>	<b>Overview of the entity</b>			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	4
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	5
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	4
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	4
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority	Mandatory	6
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority	Mandatory	6
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	6
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments-mandatory	N/A
17AE(2)		Where the outcomes and programmes administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	N/A
<b>17AD(c)</b>	<b>Report on the performance of the entity</b>			
	<b>Annual performance statements</b>			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	11
<b>17AD(c)(ii)</b>	<b>Report on financial performance</b>			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	48
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	53
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory	48

PGPA Rule reference	Part of report	Description	Requirement	Page/s
17AD(d)	<b>Management and accountability</b>			
	<i>Corporate governance</i>			
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	47
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	iii
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	iii
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	45
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	If applicable, mandatory	N/A
	<i>Audit Committee</i>			
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	46
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	46
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	46
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	46
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	46
	<i>External scrutiny</i>			
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	47
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	48
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	48
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory	N/A
	<i>Management of human resources</i>			
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	42
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender (d) statistics on staff location	Mandatory	41
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: <ul style="list-style-type: none"><li>• statistics on staffing classification level</li><li>• statistics on full time employees</li><li>• statistics on part time employees</li><li>• statistics on gender</li><li>• statistics on staff location</li><li>• statistics on employees who identify as Indigenous.</li></ul>	Mandatory	41
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	43
17AG(4)(c)(i)		Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	43
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	43
17AG(4)(c)(iii)		A description of non salary benefits provided to employees.	Mandatory	43

PGPA Rule reference	Part of report	Description	Requirement	Page/s
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	N/A
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, mandatory	N/A
<b>Assets management</b>				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	N/A
<b>Purchasing</b>				
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	48
<b>Reportable consultancy contracts</b>				
17AG(7)(a)		A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	49
17AG(7)(b)		A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	49
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	49
17AG(7)(d)		A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory	49
<b>Reportable non-consultancy contracts</b>				
17AG(7A)(a)		A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	49
17AG(7A)(b)		A statement that <i>"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."</i>	Mandatory	49
17AD(daa)		<b>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>		
17AGA		Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	49
<b>Australian National Audit Office Access Clauses</b>				
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	N/A
<b>Exempt contracts</b>				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	N/A
<b>Small business</b>				
17AG(10)(a)		A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	48



PGPA Rule reference	Part of report	Description	Requirement	Page/s
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	48
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	48
<b>Financial statements</b>				
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	53
<b>Executive Remuneration</b>				
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule.	Mandatory	44
17AD(f)	<b>Other mandatory information</b>			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	N/A
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	49
17AH(1)(b)		A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	49
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	42
17AH(1)(d)		Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	48
17AH(1)(e)		Correction of material errors in previous annual report.	If applicable, mandatory	102
17AH(2)		Information required by other legislation.	Mandatory	89

# Index

## A:

Aboriginal & Torres Strait Islander employees/employers, 21, 41  
Aboriginal & Torres Strait Islander Peoples Network, 42  
Aboriginal and Torres Strait Islander staff: *see* diversity & inclusion reporting; Indigenous Employment Strategy; Reconciliation Action Plan  
accountable authority, iii, 6(n), 11, 29, 46, 94-5,  
activities: *see* compliance & enforcement; communications;  
education activities & resources  
Administrative Appeals Tribunal, 17  
advertising and market research, 49, 90, 97  
Agency Consultative Forum, 43  
Agency purpose  
    FWO, 11  
    ROC, 29-30  
agriculture industry: *see* horticulture  
annual performance statement  
    FWO, 11  
    ROC, 29  
annual returns: *see* registered organisations  
Anonymous Report tool, 15, 17  
anonymous reporting, 2, 17-18, 20  
appropriations: *see* financial statements  
APS: *see* Australian Public Service  
assets and liabilities: *see* financial statements  
Auditor-General, 48, 49, 95, 96  
audits  
    by registered organisations, 27, 32-33  
    internal, 47  
    undertaken by FWO/ROC: *see* compliance & enforcement  
auditors, registration of, 27, 31, 33, 37  
AusTender, 49, 90, 96  
Australian Accounting Standards, 32, 71  
Australian Breastfeeding Association, 42  
Australian Federal Police, 21, 28  
Australian National Audit Office, 48  
Australian Public Service (APS), 28, 43, 90, 91, 95  
    Code of Conduct and Employment principles, 42  
    Employee Census, 42, 90  
    Statistical Bulletin, 42  
    Values, 42  
Australian Public Service Commission (APSC), 42, 43  
Australian Taxation Office, 13  
Australian Workers' Union, 28, 34, 35, 36

## B:

back pay: *see* enforcement outcomes  
behavioural economics, 16  
Behavioural Economics Team of the Australian Government (BETA), 16  
Bielecki, Mark, 6, 27-8, 43, 44; *see also* Registered Organisations Commissioner  
building sector, 13, 17  
Business Continuity Management Framework, 47  
business continuity: *see* governance  
business planning: *see* governance

## C:

capability development, 42, 43  
casual employment, 2, 15, 20, 41  
Casual Employment Information Statement, 2, 15, 21, 49  
Chief Counsel, 4, 6, 43, 44, 46  
Chief Financial Officer, statement, 57  
classification of staff: *see* workplace demographics  
Comcare, 45, 90  
committees: *see* governance

Commonwealth, 12, 13, 36, 42, 66, 73, 77, 81, 87, 91  
Commonwealth Contracting Suite, 48  
Commonwealth Disability Strategy, 42  
Commonwealth Electoral Act 1918, 49  
Commonwealth Grants Rules and Guidelines, 90  
Commonwealth Indigenous Procurement Policy, 48  
Commonwealth Procurement Rules, 49, 96  
Commonwealth Ombudsman, 47-8  
communications activities, 16, 18, 19, 20, 21, 30, 45  
    media releases, 13  
    newsletters, 14, 16, 27, 30-1  
    *see also* advertising & market research  
Community Engagement Grants Program, 49  
compliance and enforcement  
    audits, 17, 19, 22, 27, 33  
    compliance notices, 1-2, 10, 11, 12, 19, 21, 90  
    contravention letters, 19  
    enforceable undertakings, 10, 11, 12, 18, 21, 22, 74, 90  
    formal cautions, 19  
    *see also* courts; inquiries; investigations; litigation  
    complaints  
        to FWOROC, 4, 20  
        about FWOROC, 47  
compliance notices: *see* compliance & enforcement  
consultants, 49, 96  
contract cleaning, 2, 20  
contravention letters: *see* compliance & enforcement  
coronavirus hotline: *see* telephony channels  
coronavirus webpage: *see* online services  
Corporate Plan, 47, 90  
court-ordered penalties: *see* enforcement outcomes  
courts, 34, 36  
    Federal Circuit Court, 22  
    Federal Court, 30, 31, 34  
    Full Court of the Federal Court of Australia, 35, 36  
    High Court, 22  
    *see also* compliance & enforcement; litigation; judicial decisions  
COVID-19, 1, 2, 10, 11, 12, 13-4, 17, 27, 28, 30, 31, 42, 45, 47, 49, 60, 62, 64, 66, 71, 80; *see also* JobKeeper; online services (coronavirus webpage); stand downs; telephony channels (coronavirus hotline); criminal offences, 4, 28, 35; *see also* Director of Public Prosecutions Crisis Action Team, 47  
Customer Service Charter, 47, 90

## D:

deliverables: *see* performance report  
Department of Agriculture, Water & the Environment, 19  
Department of Education, Skills & Employment, 48, 62  
Department of Finance, 47, 48, 49, 60, 66, 69, 80, 82, 96, 97  
Department of Foreign Affairs & Trade, 19  
Department of Health, 13  
Department of Home Affairs, 19, 21  
Department of Social Services, 42  
depreciation: *see* financial statements  
digital channels: *see* online services  
Director of Public Prosecutions, 4  
Disability Network, 42  
disability: *see* diversity and inclusion reporting; National Disability Strategy 2010-20  
disputes, 1, 9  
    dispute resolution, 2, 11, 13, 16-7  
    disputes completed, 11  
Diversity & Inclusion Strategy & Action Plan 2018-21, 42  
diversity and inclusion reporting, 41, 42  
domestic & family violence, 42  
Domestic & Family Violence Contact Officers, 42

## E:

educational activities and resources, 1, 2, 4, 11, 12, 13, 14, 15–6, 21, 27, 29, 30–1, 34, 45, 46, 47, 54  
  campaigns, 21, 60, 64, 66, 80  
  fact sheets, 10, 15, 20, 27, 33, 45  
  online learning, 10, 15–6, 27, 30, 31, 42, 49  
  videos, 13, 14, 15, 18, 19, 20, 42, 49  
  workshops, 21, 29, 30, 31  
  webinars, 13, 29, 45  
e-learning: *see* education activities (online learning)  
employee pulse survey, 42  
Employer Advisory Service, 2  
Employing Your First Person Taskforce, 15  
employment conditions: *see* remuneration and employment conditions  
enforceable undertakings: *see* compliance & enforcement  
enforcement outcomes:  
  back pay, 2, 18, 21, 22  
  court-ordered penalties, 2, 9, 17, 19, 20, 21, 22, 23, 35, 36  
  fines, 10, 21, 67, 70, 74  
  FWO notice, 17  
  infringement notices, 10, 11, 19, 21, 74, 91  
  monies recovered, 9, 10, 12, 13, 17, 19, 20, 21, 22, 101  
enterprise agreements, 18  
entity overview, 4  
entity structure, 5–6, 71  
entity funding, 80–1  
environmental management, 45  
Equitable Briefing Policy, 23, 42  
executive remuneration: *see* workforce reporting  
expenditure: *see* financial statements

## F:

face-to-face services, 14, 30  
fact sheets: *see* educational activities & resources  
Fair Work Act 2009, iii, 1, 4, 11, 13, 14, 17, 18, 21, 22, 42, 46, 47, 74, 81, 90, 91  
Fair Work Amendment (Protecting Vulnerable Workers) Act 2017, 20, 21, 22, 90  
Fair Work (Registered Organisations) Amendment Act 2016, 4, 81  
Fair Work Infoline: *see* telephony channels  
Fair Work Inspectors, 1, 14, 17, 18, 19, 20  
Fair Work Ombudsman, 1, 2, 4, 5, 6(n), 41, 43, 44, 45, 46; *see also* Parker, Sandra  
Fast Food Industry Award tool, 18  
fast food, restaurants & cafés (FRAC) sector, 1, 2, 15, 17, 18–9, 21, 23, 49  
Federal Circuit Court: *see* courts  
Federal Court: *see* courts  
federally registered organisations: *see* registered organisations  
feedback, 14, 27, 29, 30, 42, 47  
  *see also* employee pulse survey; survey; complaints  
Feedback & Complaints Management policy, 47  
financial position: *see* financial statements  
financial instruments: *see* financial statements  
financial management, 48–9  
financial reports: *see* registered organisations  
financial statements, 59–70:  
  appropriations, 80, 81  
  assets & liabilities, 68, 75–9  
  cash flow statement, 65, 70  
  depreciation, 58, 59, 60, 62, 76, 77, 81  
  equity, 61, 63, 64, 65, 66, 76, 81  
  expenses, 72, 74  
  income, 67, 73, 74  
Find my award, 10, 15, 90

fines: *see* enforcement outcomes  
flexible work arrangements: *see* remuneration & conditions  
formal cautions: *see* compliance & enforcement  
franchises, 1, 17, 19, 20, 49  
fraud controls and management, iii, 42, 46, 47, 95: *see also*  
  governance – Fraud Control Plan 2018–20  
freedom of information, 48, 90  
Freedom of Information Act 1982, 48, 90  
fringe benefits tax, 71  
Full Court of the Federal Court of Australia: *see* courts  
funding: *see* entity funding  
FWO Enterprise Agreement, 43, 90  
FWO notice: *see* enforcement outcomes

## G:

Gay, Lesbian, Transgender & Intersex: *see* diversity & inclusion reporting  
Gender Affirmation Guide, 42  
gender equality 41, 42, 95; *see also* Equitable Briefing Policy  
Gender Equality Network, 42  
Gender Equality Action Plan 2018–21, 42  
General Business Helpline: *see* telephony channels  
gig economy, 15, 20  
governance, 45–9  
  Accountability Sub-Committee, 46  
  Audit & Risk Committee, 46, 47, 95  
  Business Investment Sub-Committee, 46  
  Corporate Board, 45–6, 47, 83  
  Enforcement Board, 46  
  Fraud Control Plan, iii, 47  
  Health & Safety Committee, 45, 47  
  *see also* Corporate Plan; fraud controls and management  
graduate program: *see* workforce reporting  
grants: *see* Community Engagement Grants Program

## H:

Harvest Trail, 14  
  Harvest Trail Inquiry, 19  
Health and Safety Committee: *see* governance  
Health & Wellbeing Framework 2018–20, 45  
health care & social assistance industry, 16  
High Court: *see* courts  
high-risk sectors, iii, 17, 18, 21: *see also* fast food, restaurants & cafés (FRAC) sector; franchises; horticulture  
horticulture, iii, 2, 14, 17, 19, 48; *see also* Pacific Labour Scheme; Seasonal Worker Programme  
Horticulture Award, 2, 15  
Horticulture showcase, 14  
Horticulture Strategy, 19  
hospitality sector, 16, 17, 18, 20; *see also* fast food, restaurants & cafés (FRAC) sector  
human trafficking & slavery, 21  
human resource policies: *see* workforce reporting

## I:

Indigenous Employment Strategy, 42  
Indigenous Procurement Policy: *see* Commonwealth Indigenous Procurement Policy  
industrial relations: *see* workplace relations  
Industry Reference Group, 19  
Information Publication Scheme, 48, 97  
infringement notices: *see* compliance and enforcement  
in-language information: *see* online services  
inquiries, 4, 17(n), 19, 29, 34–5  
intelligence, 1, 2, 17, 19, 20  
Interactive Voice Response, 13

Interdepartmental Committee on Human Trafficking & Slavery, 21  
international students: *see* visa-holders  
investigations, iii, 4, 11, 17–21, 34–5, 36, 47, 54, 91

## J:

JobKeeper, 1, 10, 13, 14  
JobKeeper Program Inter-Departmental Committee, 14  
judicial decisions, 48; *see also* courts; litigation; court-ordered penalties

## K:

key management personnel (KMP), 43–4, 83  
key performance indicators (KPIs): *see* performance reporting

## L:

labour hire, 14, 19  
Labour Hire Registration Scheme, 60, 62, 64, 66, 67, 80  
Large Corporates Branch, 1, 5, 18  
large corporate entities, 1, 2, 9, 12, 13, 17, 18, 22  
Law Council of Australia, 23, 42  
learning and development: *see* capability development  
leases, 65, 66, 72, 76–7, 78, 81, 85  
legal actions: *see* litigation  
legislation: *see* Commonwealth Electoral Act 1918; Fair Work (Registered Organisations) Amendments Act 2016; Fair Work Act 2009; Fair Work Amendment (Protecting Vulnerable Workers) Act; Freedom of Information Act 1982; Public Governance, Performance and Accountability Act 2013 (PGPA Act); Public Service Act 1999; Work Health & Safety Act 2011; Workplace Relations Act 1996  
letter of transmittal, iii  
litigation, 1, 18, 19, 21, 22–3, 34, 84; *see also* courts; enforcement outcomes

## M:

Manager Academy program, 42  
market research: *see* advertising and market research  
media releases: *see* communication activities  
mediation: *see* dispute resolution  
memoranda of understanding, 46, 48, 62, 91  
migrant workers, 2, 9, 16, 17, 19, 20–1, 22, 23  
Migrant Workers' Interagency Group, 21  
Migrant Workers' Taskforce, 16, 21, 91  
Ministry of Business, Innovation & Employment (NZ), 14  
Monash University, 9, 16, 91  
monies recovered: *see* enforcement outcomes  
My account, 16

## N:

National Employment Standards, 2  
National Roundtable on Human Trafficking & Slavery, 21  
New Zealand, 14  
newsletters: *see* communication  
non-ongoing staff: *see* workplace demographics

## O:

Office of the Australian Information Commissioner, 48  
Official Public Account, 47, 65, 69  
online courses: *see* education activities & resources (online learning)  
Online Learning Centre, 16, 91  
online services, 14, 15, 16, 20, 21, 22, 29, 30, 32, 33  
  coronavirus website, 1, 10, 13  
  in-language information, 10, 14, 15, 21, 49  
  page translation, 10, 14, 15  
  templates, 2, 13, 14, 15, 16, 19  
  website, 2, 9, 11, 12, 14, 16, 20, 21, 22, 29, 30, 32, 33, 46, 47, 48

*see also* Anonymous Report tool; communication activities; education activities & resources; Find my award; Online Learning Centre; Pay and Conditions Tool (PACT); Record my hours  
on-the-spot fines: *see* enforcement outcomes (fines)  
organisational structure: *see* entity structure

## P:

Pacific Labour Scheme, 19, 21  
Parker, Sandra iii, 1, 4, 5, 6(n), 11, 29, 43, 44: *see also* Fair Work Ombudsman  
Pay and Conditions Tool (PACT), 15, 21, 49, 91  
penalties: *see* enforcement outcomes  
performance report:  
  FWO, 8–12  
  ROC, 26–33  
  performance criteria, 11, 29  
  *see also* annual performance statement; financial statements  
performance bonuses: *see* remuneration & conditions  
personal care sector, 13  
Phoenixing Taskforce, 19  
phone services: *see* telephony channels  
podcasts, 27, 30, 31, 33; *see also* communications  
  ROCpod, 27, 30  
Portfolio Budget Statements, 59, 90, 91, 94  
portfolio minister, iii, 47, 83, 95  
priorities, 1, 2, 46, 47  
  FWO, 11, 12, 13, 17, 21  
  ROC, 30–1  
privacy, 48  
procurement, 48–9  
  purchaser-provider arrangements, 48  
  *see also* Commonwealth Indigenous Procurement Policy; Commonwealth Procurement Rules  
professional, scientific & technical services sector, 16  
Protecting Vulnerable Workers laws: *see* Fair Work Amendment (Protecting Vulnerable Workers) Act 2017  
Protective Security Policy Framework, 46  
Public Governance, Performance and Accountability Act 2013 (PGPA Act), 11, 29, 45, 91  
Public Service Act 1999, 6(n), 41, 45, 90, 91, 95  
  purchaser-provider arrangements: *see* procurement  
purchasing: *see* procurement  
purpose, 1  
  FWO, 11, 13  
  ROC, 29–30  
  *see also* statutory functions

## Q:

Queensland Government, 19

## R:

Reconciliation Action Plan, 42  
Record my hours, 10, 16, 91  
registered organisations, 4, 27, 29, 30, 48  
  annual returns of information, 29, 31, 32, 36  
  elections, 4, 29, 30, 31  
  financial reporting, 29, 31, 32–3  
  governance & financial accountability  
  officer & related party disclosure statements, 30, 31, 32  
Registered Organisations Commissioner, 6, 27, 28, 33, 41, 43, 44, 83; *see also* Bielecki, Mark  
  regulatory role, 34  
related party disclosures: *see* registered organisations  
remediation, 18, 27, 33  
remuneration & conditions, 43–4, 83

- performance bonuses, 43
- executive remuneration, 43–4, 83
- flexible work arrangements, 42, 43, 45
- superannuation, 44, 72, 82

Remuneration Tribunal, 43, 83

reporting: *see* anonymous reporting; self-reporting; financial reporting

Restaurant Industry Award tool, 18

retail sector, 16, 18, 20

risk and fraud management: *see* governance (risk & fraud management)

ROCPod: *see* podcasts

## S:

Safe Work Australia, 13, 45

salary ranges: *see* remuneration & conditions

Seasonal Worker Programme, 19, 21

security sector, 20

self-reporting, 1, 9, 12, 13, 18, 22

Senior Executive Staff Forum, 46

Services Australia, 13

service standards, 36–7

sham contracting, 2, 15, 17, 20, 49

Sham Contracting Unit (SCU), 20, 101

site visits, 14

small and medium enterprises (SMEs), 48, 96; *see also* small business

small business, 1, 2, 13, 15, 17, 48, 49, 91, 96

Small Business helpline: *see* telephony channels

Small Business Showcase, 49

social media, 2, 9, 10, 16, 18, 19, 29, 21, 90

stand downs, 13, 14

State of the Service report (APSC), 42, 90

statutory functions

- FWO, 14, 21

- ROC, 34

structure: *see* entity structure

student ambassadors, 21

superannuation: *see* remuneration & conditions

surveys, 11, 16, 29, 31, 42, 47; *see also* APS Employee Census; feedback

Survey of Australian Government Payments to Small Business, 48, 96

## T:

telephony channels, 2, 9, 13, 16–7

- coronavirus hotline, 1, 10, 13–4

- Fair Work Infoline, 11, 12, 16, 71

- General Business Helpline, 16

- Small Business helpline, 16

- see also* Interactive Voice Response

templates: *see* online services

tenders and contracts: *see* procurement

Trade Union Governance & Corruption Royal Commission, 28, 35

translation of information: *see* online services (page translation)

Treasury, 48

## U:

unpaid wages/entitlements, 1, 2, 9, 10, 13, 176, 17, 19, 20, 21, 22

## V:

videos: *see* education activities & resources

virtual assistant, 13

virtual services: *see* online services

visa assurance protocol, 21

visa-holders, 19, 22; *see also* migrant workers

vulnerable workers, 1, 2, 17, 18, 20–1, 22, 23, 49

- see also* migrant workers

## W:

wages: *see* remuneration and conditions

webinars: *see* education activities & resources

website: *see* online services

whistleblower protections, 27, 30, 31, 34, 35

Work Health & Safety Act 2011, 45

workforce reporting:

- demographics, 41

- diversity & inclusion, 41, 42

- graduate program, 43

- human resource policies, 42

- non-ongoing employees, 41

- senior executive service employees, 41, 43, 44; *see also* Key Management Personnel (KMP)

- workforce management, 42–4

- see also* remuneration & conditions

Workplace Legal Advice Program, 10, 14

workplace health & safety, 14, 45, 47

- incident reporting, 45

workplace relations, 1, 4, 11, 12, 13, 14, 20, 21, 54

Workplace Relations Act 1996, 74

workshops: *see* education activities

## Y:

year in review, 1

## Correction

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On page 21 of the Fair Work Ombudsman and Registered Organisations Commission Entity Annual Report 2019–20, the following correction was made:

In the 2019–20 budget, we received ~~\$9.8 million~~ \$9.245 million over 4 years to establish a Sham Contracting Unit (SCU). In the past year, the SCU has been activated, and the agency has completed 309 disputes relating to sham contracting and misclassification, recovering \$363,976 for 278 employees – a 200% increase in disputes completed and 83% increase in monies recovered compared to the previous financial year.

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