

Fair Work Ombudsman and
Registered Organisations Commission Entity

Annual Report 2021-22





Fair Work

OMBUDSMAN

The Hon Tony Burke MP

Minister for Employment and Workplace Relations,
Minister for the Arts and
Leader of the House of Representatives

Parliament House
CANBERRA ACT 2600

21 September 2022

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 2022. 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

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Fair Work Ombudsman and
Registered Organisations Commission Entity

Annual Report 2021-22



Year in review

In the 2021–22 financial year, the Fair Work Ombudsman (FWO) achieved record recoveries for a record number of employees throughout Australia. We recovered more than \$532 million for 384,805 people. This is more than 2.5 times higher than the previous financial year recoveries and more than 3 times that achieved in 2019–20.



Fair Work Ombudsman, Sandra Parker PSM

This very strong result reflects our focus on assisting those who seek our help, intelligence-led education and targeted compliance activities to support compliance, along with a significant increase in the use of our compliance and enforcement tools.

The FWO has finite resources and as the workplace regulator for nearly 13 million Australian workers and more than one million businesses, the challenge for the FWO is to exercise its statutory functions in a way that ensures it has the greatest impact on workplace compliance across the country.¹ We therefore set annual priorities to guide our work that reflect the areas of highest risk of underpayments and exploitation.

I firmly believe this approach ensures we get the most unpaid money back to most people in the shortest amount of time.

Guided by our 2021–22 priorities, we have:

- ▶ completed 18,622 disputes and a further 810 targeted compliance activities in high-risk sectors
- ▶ achieved significant litigation outcomes, including penalties for breaches relating to the JobKeeper program, and a matter involving breaches of the Paid Parental Leave Act 2020 where a woman was underpaid parental leave entitlements by her employer
- ▶ commenced a range of compliance and enforcement activities in the contract cleaning sector – a new priority area for the FWO in 2021–22
- ▶ worked with employers, community organisations, unions, employer organisation, and government agencies to better understand the drivers of non-compliance

¹ Australian Bureau of Statistics (ABS) website, accessed August 2022, www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release

- ▶ launched a range of new education resources and communication campaigns to inform Australian workplaces about rights and entitlements
- ▶ remained responsive in our approach to the COVID-19 pandemic, including maintaining and updating our comprehensive suite of workplace information for employers and employees on our COVID-19 subsite.

Large corporate underpayments

The FWO's work to address underpayments in Australia's large corporations hit significant milestones in 2021–22.

In this financial year, nearly \$279 million was returned to more than 267,000 underpaid employees from large corporate employers (an average of about \$1000 per underpaid employee). This is more than 6 times the amount returned in the previous financial year.

The sheer size of these underpayments is very concerning, particularly given the resources large corporations have to invest in ensuring their employees are paid correctly.

In 2020, I wrote to the boards of Australia's top 100 ASX-listed companies, calling on them to elevate employee pay as a governance and compliance priority, and asking them to ensure they have the appropriate systems, expertise and leadership in their human resources areas – particularly in their payroll function.

Later that year, the FWO also established a dedicated Large Corporates branch to support specialised investigations into corporate sector underpayments.

Our investment in fixing up compliance issues in the large corporate sector is paying dividends. Of the nearly \$279 million recovered this year, 68% was self-disclosed to the FWO by large corporates. This demonstrates that large corporates are responding to the changed regulatory environment and investing in more comprehensive compliance with Australia's workplace laws. As a result, they are finding underpayments, fixing them and reporting their non-compliance to the FWO.

When an employer approaches the FWO to report underpayments, our primary focus is on reaching a level of assurance that underpayments are accurately calculated and being paid in a timely manner to impacted employees.

Where we are not satisfied a large corporate has taken appropriate action to address its underpayment issues or we identify serious non-compliance, we are willing to take court action.

This year we took 2 of Australia's largest employers to court: the Commonwealth Bank of Australia Group, and Coles Supermarkets.

Both matters are currently before the courts.

Taking these actions was a significant milestone for the FWO. In addition to the action we commenced last financial year against Woolworths, it demonstrates our commitment to ensuring that underpayment issues within some of Australia's largest businesses are properly rectified and serious non-compliance is addressed.

Enforcing the law

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 targeted compliance work has been particularly notable this year. This work involves the FWO utilising intelligence from a range of sources to target employers where we suspect there may be non-compliance with workplace laws. Through targeted compliance work, including surprise audits, we recovered more than \$108 million for 20,267 underpaid employees.

This strong result from targeted compliance activities shows the improvements we have made in the risk-based approach we take to our work. We're getting increasingly effective at using intelligence to discover where the most at-risk employers are, and then taking appropriate action where we identify underpayments.

We continued our focus on using compliance notices (CNs) as our primary enforcement tool. CNs are an effective tool to expeditiously fix underpayments where systemic compliance issues have not been identified. In 2021–22, we issued 2,345 CNs, recovering more than \$20 million in underpaid wages for 12,537 employees. This is 16% more CNs than we issued the year before and 23% higher recoveries.

Where an employer fails to act on a CN, we reserve the right to take court action. If we're successful, the court can order the employer to repay the employee (under the terms of the original CN) and also impose a penalty for failing to comply with the CN.

In 2021–22, we initiated 137 litigations – 80% more than in 2019–20. This is a record number of litigations for the FWO and the first time we have surpassed 100 litigations in a financial year.

Our ongoing response to the COVID-19 pandemic

The COVID-19 pandemic is constantly evolving, both in the nature of the virus itself and the policy response from governments across Australia.

We commenced the 2021–22 financial year with many states and territories under lockdown and negotiating the challenges of the significant effort to get the Australian population vaccinated, and finished 2021–22 with people gradually returning to face-to-face work.

A lot has changed in a short space of time. I am proud of the work the FWO has undertaken throughout the year to help employers and their employees navigate the ongoing challenges of the pandemic.

Our overarching priority this year has been to support workplaces as they recover from the impacts of COVID-19. To achieve success against this priority, we have been working with Work Health and Safety (WHS) regulators to provide up-to-date, clear and consistent COVID-19 advice and information, with a particular focus on vulnerable workers, small businesses and industries hardest hit by the disruption of COVID-19.

Since the beginning of the pandemic, we have provided support including:

- ▶ answered more than 128,000 COVID-19-related calls via our Coronavirus hotline
- ▶ established a dedicated COVID-19 subsite (coronavirus.fairwork.gov.au) that has been viewed more than 13.1 million times and can be translated into more than 30 languages
- ▶ developed detailed COVID-19 vaccination information and guidance on our COVID-19 subsite that outlines employers' and employees' workplace rights and obligations
- ▶ delivering and continuing to regularly update a COVID-19 Virtual Assistant, Frankie, which is available on our COVID-19 subsite. Frankie can respond to more than 250 COVID-19-related questions and has had over 148,547 sessions since being launched in June 2020
- ▶ referring 5,104 eligible employers and employees to the Workplace Legal Advice Program (WLAP) to access free legal advice on COVID-19 workplace issues
- ▶ administering the COVID-19 Pandemic: Supplementing Industrial Relations Advice Services Grants, which provided \$1.5 million in funding to each of the Australian Industry Group (Ai Group), Australian Chamber of Commerce and Industry (ACCI) and the Australian Council of Trade Unions (ACTU)
- ▶ upholding the integrity of the JobKeeper provisions in the Fair Work Act through appropriate and proportionate compliance and enforcement activities. Since the beginning of the pandemic, we have completed 1,527 JobKeeper matters, recovering more than \$1.1 million in unpaid JobKeeper entitlements for 377 employees.

Education and assistance

Providing education and assistance to employers, employees and organisations is one of our key functions and is just as crucial as enforcement to our success as an effective national regulator.

In 2021–22, our frontline staff answered nearly 350,000 enquiries over our phone and digital channels (including social media).

Echoing the results from our compliance and enforcement activities, our website and Pay and Conditions Tool (PACT) – 2 of our key digital tools for helping employers and employees understand their workplace rights and comply with their obligations – were used in record numbers in 2021–22.

Website visits surpassed 27 million in a single year for the first time in the FWO's history. This includes visits to our main website (fairwork.gov.au), our customer-specific subsites (horticulture.fairwork.gov.au and smallbusiness.fairwork.gov.au) and our COVID-19 subsite. In October 2021, we launched our refreshed website to further improve our users' access to important workplace information and their overall experience when engaging with our services. The refreshed design and information architecture were

developed following extensive user research and testing. Feedback from our stakeholders on the new website design has been resoundingly positive.

PACT recorded 5,651,229 visits – an 18% increase compared to 2020–21 – and was used to make more than 6.5 million calculations. Both of these are record numbers for PACT and demonstrate how important and widely used this tool is.

Outlook

I am proud of the results the FWO team has achieved in supporting Australian workplaces in 2021–22.

Our unpaid wages recoveries and demand for our education tools and online services have never been higher. Each day I see the hard work the FWO team puts into achieving our purpose across Australian workplaces, and how productively they work with an array of stakeholders.

For 2022–23 our main priority remains supporting employers and employees as they recover from the impacts of COVID-19. We will also prioritise the following sectors and issues:

- fast food, restaurants and cafes (FRAC)
- agriculture
- sham contracting
- large corporate and university sectors
- contract cleaning.

The university sector is a new addition to our priorities. We are concerned about the allegations of systemic underpayment in many universities. Our current investigations have uncovered a trend of poor governance and management oversight, a lack of centralised human resources functions and inadequate investment in payroll and time-recording systems.

We expect to be taking high-level enforcement action against a number of universities next financial year, and urge all to prioritise their compliance.²

We have also expanded the scope of our work in the horticulture sector to the entire agriculture sector. This sector is a priority given its reliance on visa holders, who are at greater risk of exploitation, and its use of often complex labour supply chains.

We also have an important ongoing role in both educating employers and employees about, and enforcing, recent changes to the Horticulture Award.

We will also continue our commitment to prioritising small business employers and employees, and vulnerable workers. As cost-of-living pressures, labour shortages and the ongoing effects of the COVID-19 pandemic continue to impact the community, we will ensure our readiness on multiple fronts to provide the vital services and assistance the community requires from us.

The Government has outlined policy commitments spanning a broad range of workplace relations issues from the criminalisation of wage theft, to regulating ‘employee-like forms of work’.

The FWO will play a key role in implementing these, and other, important policy commitments and we will work constructively with the Government, and our stakeholders to ensure a smooth and effective transition.

The FWO will continue to respond effectively to challenges that emerge in the year ahead, and I look forward to all we can achieve, working together with the Australian community.

² FWO media release, University of Melbourne faces court, 11 August 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/august-2022/20220811-uni-of-melb-litigation-media-release



PART 1

Entity overview

Entity overview

Outcome and planned performance

Entity structure



Entity overview

The Fair Work Ombudsman and Registered Organisations Commission Entity (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.



From left to right: Rachel Volzke, Chief Counsel; Mark Scully, Deputy Fair Work Ombudsman – Compliance and Enforcement; Sandra Parker PSM, Fair Work Ombudsman; Michael Campbell, Chief Operating Officer; and Kristen Hannah, Deputy Fair Work Ombudsman – Policy and Communication.

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

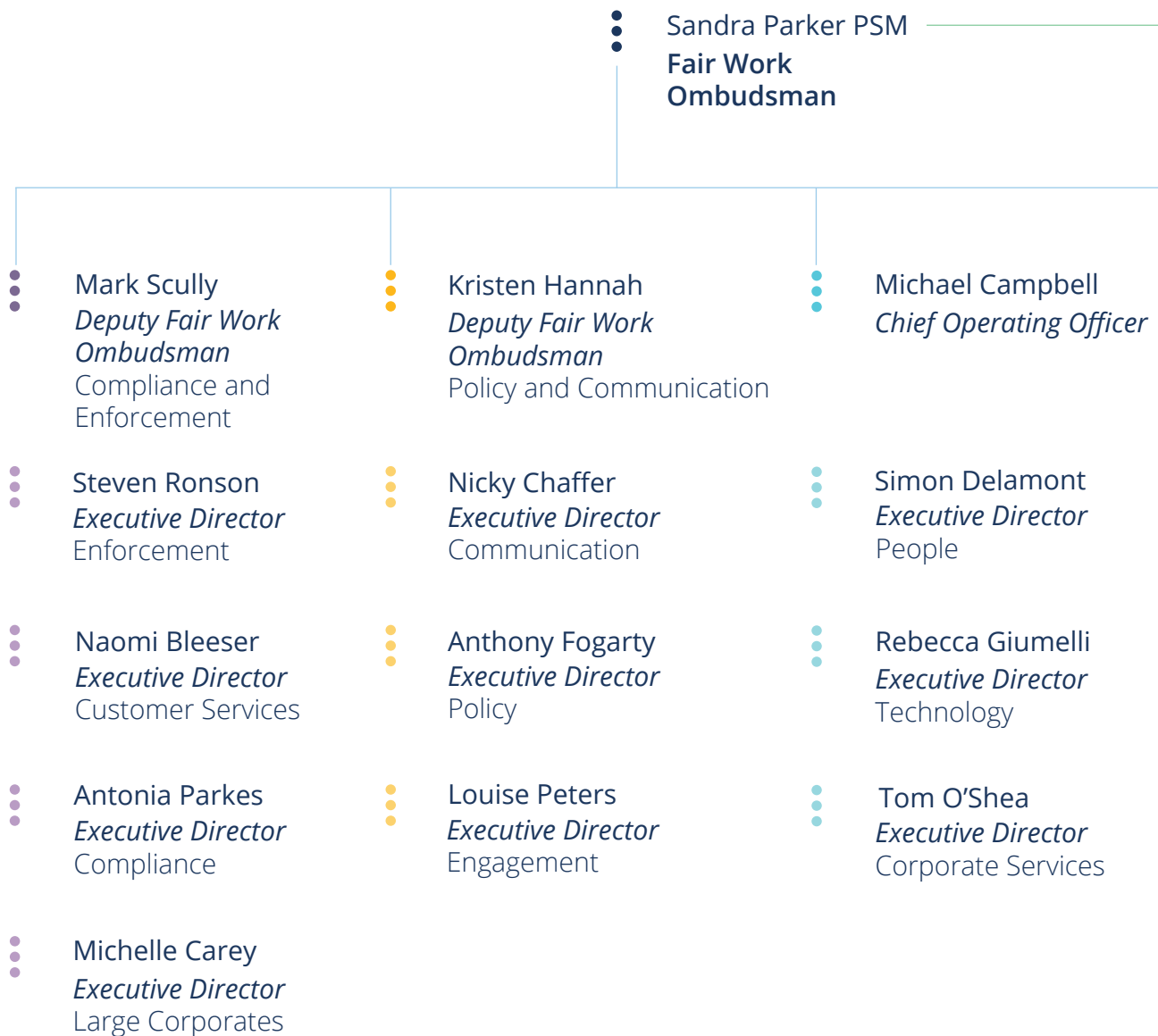
Outcome 2 – Effective governance and financial transparency of registered employee and employer organisations through regulation, investigation and appropriate enforcement action.

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 1: Entity organisation structure as at 30 June 2022







PART 2

FWO performance report

Performance snapshot

Fair Work Ombudsman annual
performance statement 2021–22

Detailed results and analysis

Our priorities, services and activities

Investigations and activities

Enforcement outcomes

Our response to the
COVID-19 pandemic

Online services

Advice, education and dispute
resolution services

Performance snapshot

OVERALL



\$532 MILLION
TOTAL RECOVERIES

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



384,805
workers back-paid



18,622
completed disputes



492
infringement
notices issued



\$2.7 MILLION
secured in court-
ordered penalties



2,345
compliance notices
issued recovering
\$20.2 million



4,197
investigations into
complex or significant
matters



9
enforceable
undertakings recovering
\$56.4 million



810
compliance activities
recovering over
\$108 million



137
LITIGATIONS FILED

▸ Record number of litigations filed for the FWO
▸ We took action against Coles Supermarkets and the Commonwealth Bank of Australia, alleging significant breaches of the Fair Work Act 2009



12,728
anonymous reports
received

EDUCATION AND ASSISTANCE

**400,000**

enquiries answered

**220**media releases
published**298,300**

calls answered

**578,000**

email subscribers

ONLINE SERVICES

**27 MILLION**

total website visits

**128,000**pages translated into
another language**48,524**online learning
centre courses
commenced**5.6 MILLION**Pay and condition tool
vists, with more than
6.5 million pay tool
calculations**186,366**

facebook followers

**57,344**

linkedin followers

**21,662**

twitter followers

COVID-19 RESPONSE

**5.7 MILLION****PAGEVIEWS TO
CORONAVIRUS.FAIRWORK.GOV.AU**

- ▶ 1.7 million views of the FWO's dedicated COVID-19 vaccination information

**28,953**calls to the Coronavirus
hotline**\$1.1 MILLION**recovered for
377 workers
through JobKeeper
enforcement

Fair Work Ombudsman annual performance statement 2021–22

Statement of preparation

I, Sandra Parker, as the Entity's accountable authority, present the 2021–22 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.

Purpose

The FWO is the Australian Government agency responsible for ensuring compliance with workplace relations laws through advice, education and where necessary enforcement. Our purpose, derived from the Fair Work Act 2009 (Fair Work Act) is to promote harmonious, productive, cooperative and compliant workplace relations in Australia.

Reporting framework

The FWO measures its performance against its purpose using measures and targets that are outlined in the Portfolio Budget Statements (PBS) and the Corporate Plan, which also includes our functions, key activities and priorities.

Performance

Our performance measures for 2021–22 demonstrated our efforts to promote compliance with workplace laws by supporting the community to understand and comply with their workplace relations obligations. In particular, they demonstrate:

- ▶ our impact on harmonious, productive, cooperative and compliant workplace relations
- ▶ the quality of our advice and assistance services
- ▶ the effectiveness of our digital tools
- ▶ the timeliness of the assistance we provide in finalising workplace disputes
- ▶ the appropriateness of our compliance and enforcement activities
- ▶ our commitment to working with our stakeholders to develop our priorities.

Summary of results

Our overall performance for 2021–22 resulted in achieving or partially achieving all of our Key Performance Indicators (KPIs).

KPI 1 – Achieved

KPI 2 – Achieved

KPI 3 – Achieved

KPI 4 – Achieved

KPI 5 – Partially achieved

Throughout the reporting period we successfully delivered quality and useful products, resources and services to the community to promote harmonious, productive, cooperative and compliant workplace relations in Australia. These results demonstrate our ongoing commitment to achieving our purpose.

Detailed results and analysis

Section 1: Performance measures relating to our activities in providing education, assistance, advice and guidance to employers, employees, outworkers, outworker entities and organisations.

KPI 1: FWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations

Source: 2021–22 FWOROCE Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2020–21	2021–22		Achieved
		Result	Target	Result	
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	89%	Greater than 75%	94%	✓

Measurement methodology

Survey Population	145 stakeholders were invited to participate in the survey
Survey Question	Stakeholders were asked about the extent to which they agreed with the following statement: The FWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations. Stakeholders could select from the following options: Agree; Disagree; Unsure.
Survey Distribution	Stakeholders were invited to participate by senior staff and executive of the FWO via direct email containing an individual link to the online survey.
Survey Frequency	Annual
Survey Response rate and result	Of the 145 surveyed 17 responded (13%). The final result was reached by taking the percentage of respondents to the survey who answered "Agree".
Definition/s	For the purpose of the survey a stakeholder is defined as organisations/individuals that engaged with the FWO during the reporting period and: <ul style="list-style-type: none"> ▸ represent the regulated community on behalf of employers and workers ▸ support and assist employers and workers ▸ are active in strategically important or priority areas for the FWO ▸ conduct other government work that intersects with, or contributes to, work undertaken by the FWO ▸ conduct research on behalf of the FWO and/or in an area relevant to the FWO's work. The FWO Engagement Branch identified 145 stakeholders who met the above definition.

Analysis and further information

KPI 1 measures how stakeholders view the FWO's impact on harmonious, productive, cooperative and compliant workplace relations. 94% of stakeholders who responded to the survey were satisfied that the FWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations.

The satisfaction rate in response to this KPI question indicated a high stakeholder satisfaction rate when engaging with the FWO and its services and resources. While only a relatively small proportion of surveyed stakeholders responded, the FWO actively engages with relevant stakeholders to enhance our understanding of the reasons for non-compliance with workplace laws, and to inform our education and compliance activities. Positive stakeholder satisfaction levels were reflected, exceeding our target and showing year-on-year improvement.

In previous years, the KPI was included in a more targeted stakeholder survey relating to agency priority setting. In an attempt to increase response rates, survey recipients were broader in this reporting period than in previous years and the KPI was separated from the priorities survey. The FWO will continue to reassess the approach to surveying stakeholders, noting the low response rate to this year's survey. Stakeholders identified for participation in the KPI survey were based on those who had active engagement with the FWO throughout the year. As well as being asked the question about KPI 1, stakeholders were also surveyed on the extent to which they agreed with a set of statements about the FWO's performance as a regulator with respect to issues such as timeliness, responsiveness, transparency and application of powers.

KPI 2: FWO provides high quality of advice and assistance

Source: 2021–22 FWOROCE Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2020–21	2021–22		Achieved
		Result	Target	Result	
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	84%	Greater than 75%	82%	✓
Measurement methodology					
Survey Population	Customers were randomly selected to participate in the survey within 5 business days of their phone enquiry to the Fair Work Infoline being closed as advice provided.				
Survey Question	Customers were asked the following question: How satisfied were you with the quality of advice and assistance you received from the Fair Work Ombudsman? Response options include: Very satisfied; Somewhat satisfied; Neither satisfied or dissatisfied; Somewhat dissatisfied; Very dissatisfied.				
Survey Distribution	Customers were invited to participate via direct personalised email containing an individual link to the online survey.				
Survey Frequency	Monthly – The survey was sent twice per month, to ensure customer satisfaction levels were representative of the larger proportion of the month.				
Survey Response rate and result	The response rate was approximately 15% each month. The number of customers surveyed varied to ensure a 95% confidence level. The final result was calculated by taking the total number of customers who answered that they are very satisfied or somewhat satisfied and dividing it by the total number of responses for all surveys undertaken in the course of the financial year and multiplying it by 100 to get the percentage.				
Definition/s	Customers were randomly selected from the following customer groups: <ul style="list-style-type: none"> ▶ employees currently employed ▶ employees no longer employed ▶ small business ▶ medium to large business ▶ employee and employer representatives. The following customers were excluded from the survey: <ul style="list-style-type: none"> ▶ those with an ongoing matter with the FWO (have/or are receiving assistance, advice from other areas within the FWO) ▶ those whose matter is out of the FWO's jurisdiction and independent contractors ▶ those who have previously advised they do not wish to be surveyed, have already been surveyed in the current month or have asked to remain anonymous. 				

Analysis and further information

KPI 2 measures the level of satisfaction that our customers have with the advice and assistance they have received from the Fair Work Infoline.

Each month we undertake surveys to determine customer satisfaction levels. Understanding how satisfied a customer is with the advice and assistance they receive helps to identify when the current service offering is meeting the needs of our customers, and importantly opportunities to assess improvements to our services.

Our satisfaction rating at 82% means that just over 4 out of every 5 customers feel that the quality of advice and assistance they received from the FWO met their needs.

KPI 3: FWO's digital tools are effective

Source: 2021–22 FWOROCE Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2020–21	2021–22		Achieved
		Result	Target	Result	
The FWO will use a combination of quantitative data and customer surveys to:					
▶ report on digital tool usage numbers and year-on-year changes		21.4 million	-	22.7 million	✓
▶ survey customers to determine percentage of digital tool users who report that tools improved their understanding of workplace rights and obligations.	Percentage of customer responses demonstrating a rating of satisfied or better	74%	75%	79%	✓

Measurement methodology

Survey Population	All desktop users who visit the FWO's website (fairwork.gov.au) during the survey period are invited to participate in the survey.
Survey Question	Users were asked the following question: Did the information you found today help you understand your workplace rights and obligations?
Survey Distribution	The FWO offers desktop users of fairwork.gov.au the option to complete an exit survey on their first visit to fairwork.gov.au during the survey week. The survey is currently offered via a pop-up message to desktop users only. Mobile users are currently excluded from being offered the survey for technical and usability reasons, but can elect to participate via a link in a news article that is available on the homepage of the website while the survey is available. Mobile users account for approximately 50% of all website traffic and the availability of technology enhancements to proactively offer the survey to mobile users for future surveys is being explored.
Survey Frequency	Quarterly – the exit survey is offered to customers for the duration of a week quarterly.
Survey Response rate and result	The number of customers surveyed each quarter varies and is based on a formula that uses expected visitor volumes to determine the ideal sample size. The confidence level and margin of error are set to ensure that for 95% of the time the results will be + or - 5% representative of satisfaction levels of web users for the relevant period. The final result was calculated by taking the total number of customers who answered that they did find the information helpful and dividing it by the total number of responses for all valid responses to that question and multiplying it by 100 to get the percentage.
Definition/s	Customers are survey respondents who are asked to self-identify as: <ul style="list-style-type: none"> ▶ employees ▶ employers ▶ representative (including accountant, lawyer, HR practitioner, union rep or parent) ▶ other (including student, media).

Analysis and further information

KPI 3 relates to our activities to support customers and the community to understand and comply with their workplace relations obligations.

The website offers a broad range of information and hosts a range of digital tools and resources. Website usage numbers increased from previous financial years from 21.4 million visits in 2020–21 to 22.7 million in 2021–22. We also recorded a significant increase in the use of our Pay and Conditions Tool (PACT) which increased almost 18% from over 4.7 million visits in 2020–21 to over 5.6 million in 2021–22.

High levels of satisfaction with our online information, tools and resources demonstrates our digital tools are effective and are succeeding in supporting the community to identify, understand and comply with their workplace relations obligations. The percentage of customer responses demonstrating a rating of satisfied or better also improved by 5%. Our results for KPI 3 confirm that our digital tools continue to be effective for our customers, improving their understanding of workplace rights and obligations.

Section 2: 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.

KPI 4: Percentage of requests for assistance involving a workplace dispute finalised in an average of 30 days

Source: 2021–22 FWOROCE Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2020–21	2021–22		Achieved
		Result	Target	Result	

The FWO will use quantitative data to determine the percentage of matters finalised within an average of 30 days of the request for assistance being received.

Percentage of matters finalised within an average of 30 days

99.6%¹

At least 80%

96.7%



Measurement methodology

Method of calculation The closure period of finalised requests for assistance is sorted by time of finalisation from shortest to longest, and then the maximum number of the fastest resolved requests for assistance that still leads to an average resolution time of 30 days or fewer is determined. This number is then divided by the total number finalised in the financial year, to calculate the percentage.

Definition/s A request for assistance is where a customer seeks assistance that is beyond the provision of advice (this does not include proactive initiatives or self-disclosures).

Analysis and further information

KPI 4 demonstrates how the FWO is efficiently resolving workplace issues, using timeliness as a measure to demonstrate how the FWO aims to promptly respond to requests for assistance involving a workplace dispute.

During the reporting period, the FWO has exceeded the targets set for this KPI. When considered in conjunction with the enforcement outcomes achieved in KPI 5, the results show that the FWO is successfully balancing the efficiency of how it delivers outcomes with the appropriateness of the use of compliance and enforcement action.

KPI 4 was amended for the 2021–22 reporting period, to use a finalisation average that applies to at least 80% of requests for assistance, rather than the previous 100%. This reflects the FWO's approach to managing those Requests for Assistance that, due to their complexity and compliance pathway, might otherwise distort this average, while still focussing on the timely resolution of the vast majority of matters.

¹ This KPI was amended for the 2021–22 reporting period. To allow for the analysis of performance over time the performance measure has been applied to the 2020–21 results.

KPI 5: FWO takes appropriate enforcement action

Source: 2021–22 FWOROCE Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2020–21	2021–22		Achieved
		Result	Target	Result	
The FWO will use a combination of quantitative data and case studies to demonstrate that we: ▶ apply a risk-based approach to enforcement action in accordance with the FWO's compliance and enforcement policy*	Compliance notices issued	2025	2000 – 2500	2345	✓
	Penalty infringement notices	513	400	492	✓
	Enforceable undertakings entered into	19	20	9	✗
	Litigations filed	76	65 – 75	137	✓
▶ develop annual strategic compliance and enforcement priorities to guide our approach**	Annual strategic compliance and enforcement priorities developed and announced	✓	✓	✓	✓

Measurement methodology

*Method of calculation The number of compliance notices and penalty infringement notices issued, enforceable undertakings entered into, and litigations filed is a straight count of each for the reporting period derived from the FWO's case management system.

**Method of completion Publicly announced annual strategic compliance and enforcement priorities

Analysis and further information

The target set relating to the number of compliance notices issued was increased from 850 to a range of 2000–2500. Targets for the other measures remained unchanged from the previous reporting period.

The FWO achieved a record number of litigations filed during the period, with 137 recorded, leveraging the enhanced use of compliance notices which also increased to a record level of 2345, demonstrating the FWO's commitment to ensuring compliance with workplace laws. Whilst the FWO did not achieve the target set for enforceable undertakings, this result is not unexpected given the high compliance notice and litigation numbers. EUs remain a practical statutory alternative to litigation where an employer is prepared to voluntarily fix the issues and take a range of steps to ensure future compliance.

The FWO announced its annual compliance and enforcement priorities, issuing a media release on 9 July 2021.²

During the reporting period, the FWO achieved or exceeded 4 out of the 5 targets. The components that make up KPI 5 have been equally weighted, each representing 20% of the overall KPI. Having met 4 out of the 5 components, we have partially achieved KPI 5 with 80% of the measures and targets being met.

The targets set in our 2021–22 Corporate Plan were adjusted from the previous reporting period to reflect our strong enforcement results and to align with our key priorities. The FWO is satisfied that the enforcement outcomes delivered represent an appropriate and proportionate use of available compliance and enforcement tools and is consistent with our enforcement posture, reflecting an increased use of compliance notices and litigations to ensure compliance is achieved efficiently. We are confident that we have achieved the right balance between taking strong effective action against the most serious breaches of the law, and supporting compliance through education, advice and intervention where non-compliance is inadvertent or accidental.

Case studies

Contract cleaning – page 29

Lilyvale Hotel Pty Ltd – page 32

CNL Group trading as Gyoza Gyoza – page 26

Riddhi Siddhi trading as Vege Rama – page 26

² FWO media release, FWO announces 2021–22 priorities, 9 July 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/july-2021/20210709-fwo-2021-22-priorities-media-release

Our priorities, services and activities

The Fair Work Ombudsman (FWO) provides education, advice and a range of tailored dispute resolution tools to promote harmonious, productive, cooperative and compliant workplace relations. In 2021–22, this included delivering new and updated resources and ongoing services to assist the community through the COVID-19 pandemic.

We also enforce workplace laws 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, both of which are available at fairwork.gov.au.

In 2021–22, we recovered over \$532 million in unpaid wages and entitlements for more than 384,000 employees through requests for assistance involving a workplace dispute, FWO-initiated activities, and large employers self-reporting underpayments. This is more than double the figure for last financial year and is testament to the success of our targeted, risk-based approach guided by our 2021–22 Compliance and Enforcement Priorities.

Our priorities allow us to target our resources, directing them proactively and strategically to matters and industries where intelligence and data indicate there are high risks of non-compliance.

We regularly communicate our compliance outcomes to ensure that the community understands the consequences of breaking workplace laws through underpaying employees or denying them their workplace rights and entitlements. We also use these messages to educate employers and employees about important non-compliance issues in the workplace, and to encourage employees to come forward for assistance. To this end, in 2021–22 our Media team published 220 media releases, the largest sum for 6 years and up from 155 in the previous year.

Investigations and activities

2021–22 Compliance and Enforcement Priorities

Our publicly announced Compliance and Enforcement Priorities for 2021–22 are as follows:

- ▶ continuing to support workplaces through COVID-19
- ▶ supporting small business employers and employees
- ▶ supporting vulnerable workers
- ▶ targeting high-risk sectors and issues:
 - fast food, restaurants and cafes (FRAC)
 - horticulture
 - sham contracting
 - large corporate underpayments
 - franchise arrangements
 - contract cleaning.

We strategically focused our attention and resources on matters that:

- ▶ were of considerable public interest and concern
- ▶ demonstrated a blatant disregard for the law
- ▶ were of significant scale or impact on employees or the community
- ▶ could provide guidance on the application of the law.

Investigations in response to requests for assistance

In 2021–22, we conducted 4,197 investigations into complex or significant matters (involving vulnerable workers, serious non-compliance and/or uncooperative employers) in response to requests for assistance involving a workplace dispute. From these investigations, we recovered over \$24.9 million in underpayments.

Compliance activities

This year we achieved record-high recoveries from our targeted compliance activities. Guided by our Compliance and Enforcement Priorities, we targeted high-risk industries, particular geographic regions, and employers with high and systemic levels of non-compliance.

Our targeted compliance activities allow us to:

- ▶ verify our intelligence by identifying and pursuing priority industries, sectors and employers with high risks of non-compliance
- ▶ better understand the drivers of non-compliance
- ▶ provide targeted education, information and advice to non-compliant employers
- ▶ develop strategies to sustain behaviour change
- ▶ recover wages for underpaid employees.

In 2021–22 we initiated 810 targeted compliance activities and recovered over \$108 million in unpaid wages³ for 20,267 underpaid employees.

Given our targeted compliance activities are based on intelligence, the overall non-compliance rate was 78% and in line with our expectations.

Most contraventions related to:

- ▶ underpayment of hourly rate
- ▶ failure to correctly pay weekend penalty rates
- ▶ failure to correctly pay casual loading penalty rates.

Pay slip and record-keeping contraventions were also especially common.

³ The total number of compliance activities include all targeted compliance activities, local initiatives, inquiries, and other FWO-initiated matters.

FWO Notices

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

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

The Administrative Appeals Tribunal may issue a FWO Notice on application by the FWO, where the tribunal agrees 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 2021–22, 3 FWO Notice examinations were conducted where avenues to obtain evidence were otherwise exhausted, inappropriate, or an investigation was impeded.

Anonymous reporting

If members of the public suspect a person, including an employer, of breaching workplace laws, they can discreetly notify us via our anonymous report tool. This tool is often utilised by vulnerable people, such as young or migrant workers.

Anonymous report data combined with operational data and research helps to inform and improve our targeted compliance activities. For example, our compliance activity investigating a Brisbane-based cafe uncovered systematic underpayments (including partially paying staff in food and drink) after the FWO received anonymous reports.⁴ We secured court-ordered penalties of \$170,000 on behalf of 33 employees, most of whom are migrant workers who worked as cooks, kitchen attendants and food and beverage attendants.

In 2021–22 we received 12,728 anonymous reports, with young employees submitting the majority (4,248 reports). Since the anonymous reporting tool launched in April 2016, we have received over 90,000 reports.

Across all reports, the dominant industries were hospitality and retail.

To support migrant workers – one of the most vulnerable cohorts for workplace exploitation – our anonymous reporting tool is available in 16 different languages (in addition to English), and allows this vulnerable group to report workplace issues anonymously in their own language.

Of the 12,728 reports received, 377 were in languages other than English, and the majority of reports related to hospitality (37%), food manufacturing and processing (18%), and retail (11%). The top languages in which anonymous reports were received were:

- ▶ simplified Chinese 38%
- ▶ Korean 20%
- ▶ traditional Chinese 17%
- ▶ Japanese 8%
- ▶ Vietnamese 6%.

Large corporate underpayments

In 2021–22, the FWO completed 393 matters involving a large corporation (corporate groups with a gross income of more than \$250 million in a given financial year).

Nearly \$279 million in underpayments was recovered for 267,199 employees – a record amount for large corporate recoveries in a single year.

The prevalence and scale of large corporate underpayments is concerning and disappointing, but the sustained number of self-reports, FWO-initiated investigations into the sector and media focus are creating a stronger culture of accountability. These are some of Australia's biggest employers, and our investigation activities and outcomes send a message that all employers, especially large corporates, must place a higher priority on addressing payroll issues, enhancing workplace relations systems, and engaging expertise to ensure they are paying employees all their lawful entitlements.

We increasingly see issues such as:

- ▶ inadequate annualised salary arrangements that fail to compensate employees for minimum entitlements
- ▶ failures to implement enterprise agreement obligations or undertakings

⁴ FWO media release, Brisbane café company and director penalised, 16 August 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/august-2021/20210816-cafe-63-racecourse-rd-penalty-media-release

- failures to address known issues before comprehensive organisational reviews are undertaken
- ineffective governance (sometimes complacency)
- a lack of investment in payroll systems and staff, record-keeping systems, expertise and auditing.

Our dedicated Large Corporates Branch is committed to ensuring remediation programs return unpaid wages to employees and that companies implement corrective actions. It also monitors compliance, and in appropriate matters or in cases of serious non-compliance, delivers strategic compliance and enforcement outcomes. We encourage all employers to cooperate with us to correctly rectify non-compliance and ensure it does not reoccur.

In 2021–22 we took 2 of Australia's largest employers to court for alleged breaches of the Fair Work Act.

In December 2021, we commenced legal action against Coles Supermarkets Australia Pty Ltd (Coles), alleging it underpaid around 7,800 salaried employees more than \$110 million.⁵ To date, the Coles matter is the largest independent calculation exercise the FWO has undertaken in an investigation.

In October 2021, we commenced proceedings against the Commonwealth Bank of Australia (CBA) and Commonwealth Securities Limited (CommSec).⁶ We allege that CBA failed to comply with its enterprise agreement obligations, resulting in underpayments totalling \$10.05 million to 4,999 employees, and that CommSec failed to pay \$6.39 million to 2,426 employees.

In both matters we are seeking penalties for the alleged breaches of workplace laws, in addition to court orders, in the Coles matter we are seeking orders requiring Coles to rectify the total outstanding underpayments in full, plus interest and superannuation.

Universities

We are concerned about the allegations of significant underpayments in the universities sector. To proactively encourage workplace compliance in the sector, we have engaged with individual universities, peak university bodies and relevant government agencies to promote our services and resources as a regulator.

Our intelligence indicates that underpayments has become systemic in the sector, and we have commenced several investigations. Preliminary findings have revealed poor governance and management oversight, and a lack of centralised human resources functions and investment in payroll and time-recording systems have contributed to widespread underpayments by universities. Casual, insecure employees are commonly impacted by the underpayments.

We are working to ensure that underpayments are quickly rectified, and we will continue to work with universities to ensure appropriate systems and governance processes are implemented to promote positive, forward-facing cultural change. We will not hesitate to take court action where we think it is warranted, in line with our Compliance and Enforcement Policy.

⁵ FWO media release, FWO takes action against Coles Supermarkets, 2 December 2021, www.fairwork.gov.au/newsroom/media-releases/20211202-coles-media-release

⁶ FWO media release, FWO takes action against Commonwealth Bank, 11 October 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/october-2021/20211011-cba-litigation-media-release

Fast food, restaurants and cafes (FRAC)

The FRAC sector remains one of the FWO's key Compliance and Enforcement Priorities due to persistent high levels of non-compliance and the fact that the sector employs a large number of vulnerable workers (typically young and/or migrant workers).

We conducted audits on 213 FRAC businesses in 2021–22. Compliant employers made up 17% (36 employers) versus 177 non-compliant employers (83%). High levels of non-compliance were found in:

- Sydney (93%)
- Melbourne (90%)
- Adelaide (85%).

At 32%, hospitality (which includes FRAC) was the dominant industry among anonymous reports (more than double the retail sector). Hospitality also accounted for 37% of all in-language anonymous reports (submitted in languages other than English, and typically by young migrant workers).

In total, we recovered more than \$13 million for 4,054 underpaid FRAC employees this year. In addition, we secured \$1.66 million in court-ordered penalties against FRAC employers for various breaches of the Fair Work Act.

KPI case study: CNL Group

In November 2021 we secured \$78,220.80 in penalties against CNL Group Pty Ltd, which operates a restaurant trading as Gyoza Gyoza in the Adelaide CBD.⁷ We commenced an investigation after receiving requests for assistance from 2 Japanese workers employed as wait staff at the restaurant, and uncovered underpayments of the workers' minimum wage rates, weekend penalty rates and late-night loadings under the Restaurant Industry Award. In total, the 2 workers were underpaid \$10,517.43.

Our established FRAC Strategy employs a multi-pronged approach featuring engagement, education, and enforcement activities to improve compliance levels in this sector. Our Fast Food Industry Award (Fast Food Award) pay rates social media content was one of the top 5 topics engaged with on FWO social media channels, and our dedicated FRAC and FRAC award webpages on [fairwork.gov.au](https://www.fairwork.gov.au) continue to be increasingly accessed year-on-year.

In 2021–22, the FWO commenced proactive investigations in the FRAC sector, inspecting businesses across Darwin,⁸ Launceston,⁹ and most recently Sydney.¹⁰ To date, we have recovered over \$500,000 in Darwin and Launceston (for 623 employees), with further recoveries expected.

Also facing court are Sushi Bay Pty Ltd, Sushi Bay ACT Pty Ltd, Auskobay Pty Ltd, and Auskoja Pty Ltd.¹¹ We allege these employers underpaid 163 employees – mostly Korean nationals on student, working holiday and 457 skilled worker visas – a total of \$656,141.

KPI case study: Vege Rama

We led an investigation into the operators of a Brisbane fast food business, Vege Rama (Riddhi Siddhi Pty Ltd), who underpaid a Nepalese employee \$59,400.¹² In addition to the employee being paid back this sum (plus interest and superannuation), we secured \$204,000 in penalties – most of which were for falsifying records and supplying them to Fair Work Inspectors during the investigation.

The majority of these recent matters demonstrate contraventions of the Fair Work Act, under which, significantly higher maximum penalties are available. They also illustrate the ongoing need to proactively prioritise the FRAC sector because of the risks that persist in the sector and the concentration of vulnerable workers.

⁷ FWO media release, Adelaide restaurant obstructed inspector, 19 November 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/november-2021/20211119-cnl-penalty-media-release

⁸ FWO media release, FWO inspectors audit Darwin eateries, 9 September 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/september-2021/20210909-darwin-food-precincts-audits-media-release

⁹ FWO media release, Launceston eateries face FWO audits, 4 November 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/november-2021/20211104-launceston-frac-audits-commencement-media-release

¹⁰ FWO media release, Sydney eateries face pay investigations, 3 June 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/june-2022/20220603-sydney-food-precincts-investigations-media-release

¹¹ FWO media release, Sushi Bay workers allegedly underpaid \$650,000, 3 March 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/march-2022/20220303-sushi-bay-litigation-media-release

¹² FWO media release, \$204,000 penalties for Brisbane fast food operators, 20 June 2022, <https://www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/june-2022/20220620-riddhi-siddhi-penalty-media-release>

Horticulture

The FWO takes a proactive and targeted approach to addressing workplace law breaches in the horticulture sector.

Our Agriculture Strategy shapes engagement, education and enforcement activities in this high-risk industry, which – much like the FRAC sector – attracts vulnerable workers (including young migrant workers looking to meet visa requirements). The nature of the work (often low-skilled and seasonal) and the way labour is procured also contributes to high non-compliance rates.

In 2021–22, we recovered nearly \$300,000 in unpaid wages for 194 employees.

Horticulture Award changes

In 2021–22, the Fair Work Commission (FWC) made a significant ruling to vary the Horticulture Award to include a minimum hourly wage guarantee and a requirement to record hours worked by pieceworkers.

We are committed to empowering employers and employees with industry-specific information, tailored resources and self-help tools to help them understand and apply workplace laws. In response to the Horticulture Award changes we launched 2 communications campaigns (the second targeting culturally and linguistically diverse employees with content provided in-language) and a range of new online and downloadable resources (for more information, see Horticulture Showcase on page 40). These included:

- ▶ 5 new downloadable resources, including a checklist, record-keeping templates and an information sheet
- ▶ comprehensive communications and information on our website and the Horticulture Showcase.

We also delivered webinars addressing the significant changes to the Horticulture Award.

Agriculture Taskforce

In August 2021, we established an Agriculture Taskforce to undertake work associated with the Agriculture Strategy as well as the Pacific Australia Labour Mobility scheme (PALM)¹³ and general visa monitoring. This Taskforce centralises work previously undertaken by several teams across the Agency. It works closely with other regulators and key stakeholders to obtain intelligence and undertake joint investigations where appropriate.

As part of the investigative Taskforce activities, Fair Work Inspectors conducted site inspections in pre-identified 'hotspots' in northern New South Wales and the Riverland in South Australia, talking to workers and interviewing labour hire contractors and growers. We focused on:

- ▶ awareness of the award changes and access to the FWO's Horticulture Showcase
- ▶ keeping records of hours for daily reconciliation
- ▶ how employers have implemented the changes.

¹³ Pacific Australia Labour Mobility scheme website, accessed August 2022, www.palmscheme.gov.au

Franchisors

Under the Fair Work Act, franchisors can be held legally responsible if their franchisees do not comply with workplace laws, unless they have taken reasonable steps to ensure compliance in their networks. Reasonable steps can include:

- ▶ taking measures to support or train franchisees to comply with workplace laws
- ▶ putting procedures in place for handling complaints about possible breaches of workplace laws in the franchise
- ▶ making arrangements to monitor or assess the franchisee's compliance with workplace laws.

In 2021–22, 8% of all anonymous reports the FWO received related to franchises. Of these, most reports came from the hospitality (53%) and retail (32%) sectors. Common issues included pay slips, penalty rates, and underpayment of the minimum hourly rate.

The FWO has also continued to educate and support franchisors and franchisees to understand their workplace obligations and comply with workplace laws, with the launch of 2 new online courses in September 2021.

The Workplace Laws for Franchisors online course covers a range of topics including the franchisor liability provisions of the Fair Work Act. The Franchisee workplace essentials course is an educational tool that franchisors can share with their network to help educate franchisees about their obligations as an employer. Both courses use interactive scenario-based learning to build on existing guidance materials for franchisors and franchisees.

In 2021–22, we released the findings of our investigation into 39 Sandwich Chefs outlets.¹⁴ We found 32 (82%) of the outlets had breached workplace laws, and recovered \$182,596 for 214 employees.

Sham contracting and misclassification

Employees may be misclassified by their employers as independent contractors. 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. In certain circumstances, these arrangements may be 'sham arrangements', which could attract penalties under the Fair Work Act. The FWO employs 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 2021–22, the FWO answered 597 calls relating to sham contracting or misclassification, and completed 288 disputes that led to the recovery of \$319,000 for employees. The area of administrative and support services generated the most requests for assistance regarding potential sham contracting and misclassification issues.

In August and September 2021, we launched a wide-reaching communications campaign to promote a new suite of sham contracting videos that yielded 7.2 million impressions (the number of times the content was displayed). The videos were viewed more than 10,000 times during the campaign period and more than 173,00 times during the 2021–22 financial year.

This successful campaign supplements the tailored resources available on our website, including a dedicated webpage for independent contractors and a downloadable fact sheet. In 2021–22, the fact sheet was downloaded more than 7,000 times, and the independent contractors website content viewed more than 166,000 times.

¹⁴ FWO media release, Wages recovered for 214 Sandwich Chefs workers, 8 March 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/march-2022/20220308-sandwich-chefs-report-media-release

Contract cleaning

In 2021–22 we added contract cleaning to our Compliance and Enforcement Priorities after our intelligence flagged it as a high-risk industry (particularly due to the high proportion of vulnerable workers employed in insecure work). Additionally, the industry has been particularly active due to increased demand for cleaning services as a result of the COVID-19 pandemic.

Contract cleaners have different rights and obligations dependent on the nature of their engagement. It can be a complex area because workers may be working for:

- ▶ the employer that holds the cleaning contract
- ▶ another employer that has been subcontracted by the contract-holding employer
- ▶ a third-party labour hire service provider
- ▶ a private household.

Contract cleaners make up 2% of the Australian workforce and generated a total of 580 matters for the FWO in 2021–22, including 42 matters proactively pursued by the FWO.

Our Infoline received 4,770 enquiries from the industry, most of which were made by employees or their representatives who needed help with workplace entitlements.

We issued 65 compliance notices (CNs) and 21 infringement notices (INs), and commenced 6 litigations. We recovered a total of \$336,298 for 159 employees, most notably nearly \$20,000 for 29 Adelaide cleaners.¹⁵ We also issued a penalty of nearly \$16,000 on behalf of two contract cleaning employees in New South Wales.¹⁶

The top 3 contract cleaning contraventions include:

- ▶ wages and conditions (20%)
- ▶ not paying correct termination entitlements (16%)
- ▶ failure to correctly pay annual leave (7%).

To complement our compliance and investigative activities, we developed and launched new targeted material for the contract cleaning industry on our website ([fairwork.gov.au/contractcleaning](https://www.fairwork.gov.au/contractcleaning)), informed by user research. To promote this, we delivered a 2-week cleaning industry campaign on social media in March 2022 that generated over 9 million impressions and directly led to 31,000 sessions undertaken on our newly developed contract cleaning website page. The campaign was one of our top 2 for the financial year, with over 850,000 views on social media. The Cleaning Services Award (Cleaning Award) pay rates topic was one of the top 5 most engaged with on social media. Such campaigns raise vital awareness about workplace rights, entitlements, and obligations.

We encourage all Australian employers to review their cleaning contracts and seek certification of employment through the Cleaning Accountability Framework (CAF)¹⁷, a multi-stakeholder industry-led initiative that the FWO helped established. It aims to promote compliance within, and improve standards of, the cleaning services industry via a certification process. The CAF can certify cleaning supply chains and provide assurance that cleaning services are being delivered in a manner that respects workers' rights.

¹⁵ FWO media release, Wages recovered for Adelaide cleaners, 13 January 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/january-2022/20220113-adelaide-contract-cleaning-report-media-release

¹⁶ FWO media release, NSW contract cleaning business penalised, 29 April 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/april-2022/20220429-tst-cleaning-penalty-media-release

¹⁷ Cleaning Accountability Framework website, accessed August 2022, www.cleaningaccountability.org.au

Vulnerable and migrant workers

Protecting vulnerable and migrant workers is an enduring FWO commitment, and we prioritise industries with a higher proportion of vulnerable workers.

Particularly across high-risk sectors such as FRAC and horticulture, employees are vulnerable to exploitation due to a variety of characteristics, such as age, ethnic or cultural background, and/or language barriers.

For example, in March 2022 we secured a \$42,336 penalty in court against the operators of an Indian takeaway-food business in Hobart for underpaying 17 employees more than \$63,000. The employees included 3 migrant workers (from India and Nepal), as well as 2 young workers who were aged 18 and 20 at the time. The matter concerned underpayments arising from breaches of the Fast Food Award due to payment of flat rates of \$10 per hour, record-keeping and pay slip contraventions. Individual underpayments were found to range from \$270 to \$15,224.

Migrant workers are specifically of concern because they can have limited knowledge about Australia's workplace rights and entitlements, as well as language and cultural differences that can discourage them from seeking assistance. Migrant workers only make up around 4% of the Australian workforce, but in 2021–22 they accounted for:

- ▶ 16% of all disputes completed
- ▶ 18% of all anonymous reports received
- ▶ 26% of all litigations initiated.

In 2021–22 we continued to address the exploitation of vulnerable and migrant workers through our education, engagement, and enforcement activities. Key activities and initiatives included:

- ▶ using enforcement tools to deal with the most serious cases of non-compliance against this cohort. In 2021–22, we:
 - secured \$1,759,023 in court-ordered penalties for matters involving the exploitation of migrant workers
 - issued 49 compliance notices and 20 infringement notices for breaches involving migrant workers.
- ▶ continuing to improve the accessibility of our workplace rights information, by delivering new professionally translated material to our website (for more information on resources, see Online services on page 39)
- ▶ continuing to collaborate with the Department of Home Affairs on the Assurance Protocol – a shared arrangement designed to encourage migrant workers to report workplace exploitation without fear of visa cancellation. Under the Protocol, an employee's temporary visa with work rights won't be cancelled if they have not complied with their work-related visa conditions due to workplace exploitation, have sought our assistance with workplace issues and meet other criteria, including committing to following visa conditions in the future
- ▶ supporting the PALM scheme (which this year replaced the Pacific Labour Scheme and Seasonal Worker Programme) through our educative and enforcement roles
- ▶ establishing the Agriculture Taskforce to address persistent non-compliance in the horticulture and agriculture sectors, as well as providing practical, educational resources (especially in relation to the Horticulture Award changes). The sector can attract vulnerable workers – including young migrant workers looking to meet visa requirements
- ▶ adding contract cleaning to our Compliance and Enforcement Priorities due to the high proportion of vulnerable employees in the industry, a tendency to employ workers through supply chains and its high rates of non-compliance
- ▶ delivering community engagement activities including webinars and running communications campaigns to promote our resources, including English and in-language social media campaigns to promote our new resources surrounding the Horticulture Award changes (for more information, see Horticulture Showcase on page 40), dedicated pages on our website for migrant workers and language resources, our Pay and Conditions Tool (PACT), and resources for Aboriginal and Torres Strait Islander employers and employees
- ▶ developing and delivering educational case study videos featuring international students successfully seeking assistance from the FWO (with subtitles and available in 7 different languages)
- ▶ translating 12 media releases into languages other than English – relevant to particular matters, helping to secure media coverage in culturally and linguistically diverse media outlets
- ▶ contributing as a member of the Migrant Workers' Interagency Group and assisting with progressing the recommendations of the Migrant Workers' Taskforce.

Enforcement outcomes

Statutory enforcement tools are important for particularly serious or widespread cases of non-compliance or matters of significant public interest. We apply these tools after assessing whether any proposed compliance activity would be an efficient and ethical use of public resources in accordance with our publicly available Compliance and Enforcement Policy. We always consider our strategic Compliance and Enforcement Priorities as part of our assessments and take a case-by-case approach to each matter. We use enforcement tools in cases that, among other issues:

- ▶ demonstrate a blatant disregard of the law
- ▶ exploit vulnerable workers
- ▶ involve systemic non-compliance issues
- ▶ where there is a need for deterrence.

We utilised enforcement tools in 2021–22 in a total of 2,853 cases (up from 2,559 in 2020–21). This includes:

- ▶ INs
- ▶ CNs
- ▶ court enforceable undertakings
- ▶ litigations.

Table 1: Enforcement outcomes, 2019–22

Enforcement outcome	2021–22	2020–21	2019–20
INs issued	492	513	603
CNs issued	2,345	2,025	952
Enforceable undertakings (EUs) executed	9	19	12
Litigations commenced	137	76	54

Infringement notices (INs)

INs are fines we issue to employers for breaching record-keeping and pay slip requirements. INs may be issued on the spot. 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 2021–22, we issued 492 INs, with penalties paid totalling \$446,037.

Compliance notices (CNs)

A CN is an efficient tool for addressing and rectifying suspected workplace law contraventions or breaches. The FWO can issue such a notice based on a reasonable belief that such breaches have occurred. CNs play a key role in ensuring underpaid wages are back-paid quickly, as the notice formally compels a person or business to take specific action to fix alleged breaches of the applicable industrial instrument.

CNs are our primary enforcement tool relating to underpayment matters (except complex, deliberate, or serious non-compliance cases). Our year-on-year increase in the use of CNs is consistent with the FWO's obligation to efficiently and effectively perform its statutory functions.

We want to make the administrative process associated with CNs as clear and easy for employers as possible. This ensures underpaid employees get their money back as quickly as possible and employers can quickly and easily understand their rights and obligations when they receive a CN.

In the last year we applied behavioural insights to update our cover letter that is supplied to employers with a CN. Updates to this letter are designed to provide clearer information to employers about why they are receiving a CN and the actions they need to take in response.

We also developed new education materials, including FAQs and our new Compliance notices online course (developed in the 2021–22 financial year, launched in July 2022)¹⁸, to help employers understand what a CN is and how to respond if they receive one.

The CN online course includes:

- ▶ information about CNs and why they are issued
- ▶ step-by-step guidance for responding to a CN
- ▶ video scenarios and real-life case studies about the consequences of ignoring a CN
- ▶ activities to step learners through how to calculate an underpayment and make back-payments
- ▶ tips to help employers avoid common compliance mistakes in the workplace
- ▶ links to free calculators and resources to help learners meet the requirements of a CN and prevent future workplace problems.

In 2021–22, we issued 2,345 CNs and recovered more than \$20.2 million in unpaid wages – up from \$16.5 million from 2,025 notices in 2020–21.

If a person or business fails to comply with a CN in accordance with statutory requirements, the FWO will take court action to enforce it in appropriate cases (for more information, see Litigation on page 33).

Enforceable undertakings (EUs)

EUs are court-enforceable, legally binding written agreements between the FWO and someone who is reasonably believed by the FWO to have contravened Australian workplace laws (for example, an employer). In these agreements there is an undertaking to fix any breaches and commit to ongoing compliance.

When businesses fully cooperate, EUs are effective enforcement tools to address non-compliance issues in timely and cost-effective ways because they do not involve going to court.

Copies of the FWO's EUs are publicly available at [fairwork.gov.au](https://www.fairwork.gov.au) to ensure transparency and serve as a deterrent for non-compliance.

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

- ▶ recovering wages outside of 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 employer
- ▶ 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.

The terms of any EU depend on the circumstances and are informed by our publicly available Compliance and Enforcement Policy.

In 2021–22, we executed 9 EUs and recovered a total \$56.4 million for underpaid employees.

In November 2021, we entered into an EU with Westpac Banking Corporation (Westpac)¹⁹ after it self-reported it had underpaid long service leave entitlements to more than 6,400 current and former employees.

Under the EU, Westpac has:

- ▶ back-paid a total of around \$6 million to affected employees (including interest and superannuation)
- ▶ committed to stringent measures to ensure compliance with the law
- ▶ made a \$343,866.96 contrition payment to the Commonwealth Consolidated Revenue Fund
- ▶ apologised to staff and published social media and newspaper notices detailing its contraventions.

KPI case study: Lilyvale Hotel

In April 2022, we entered into an EU with Lilyvale Hotel Pty Ltd, the operator of the Shangri-La hotel in Sydney, after the company underpaid 199 current and former employees.²⁰ Lilyvale Hotel has since back-paid employees more than \$3 million. The EU required Lilyvale Hotel to calculate and back-pay amounts owing to every affected employee, plus interest and superannuation.

¹⁸ Compliance notices online course website, accessed September 2022, www.fairwork.gov.au/tools-and-resources/online-learning-centre/compliance-notice

¹⁹ FWO media release, Westpac signs Enforceable Undertaking, 16 November 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/november-2021/20211116-Westpac-EU-media-release

²⁰ FWO media release, Shangri-La hotel operator signs Enforceable Undertaking, 1 April 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/april-2022/20220401-lilyvale-eu-media-release

Litigation

Litigation is reserved for serious non-compliance cases and misconduct, and in cases we believe will have a significant impact and are in the public's interest. 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 who have a prior history of contraventions who have not taken adequate steps to ensure compliance despite being advised of consequences in the past.

We initiated a record 137 litigations in 2021–22, up from 76 in the previous year, and secured nearly \$2.7 million in court-ordered penalties.

In December 2021, the court awarded a total of \$225,500 in penalties against Fu Kang GC Pty Ltd.²¹ The restaurant and its directors knowingly provided misleading records including false pay slips and cash payment records on 3 occasions in an attempt to hide underpayments totalling \$46,000 to a migrant worker.

Another notable matter was the total of \$69,552 in penalties secured against The Pagoda Tree (Vic) Pty Ltd²² in April 2022. The women's health clinic in Melbourne withheld government-funded parental leave payments from an employee. The operator also breached the Fair Work Act by underpaying the employee a total of \$10,296 in annual leave entitlements, casual loading and Saturday loadings between 2016 and 2019, and by contravening record-keeping laws.

Serious contraventions

We continue to make use of the tougher provisions in the Fair Work Act to ensure that any persons or businesses who commit serious contraventions are held to account, and to deter others from engaging in such conduct.

Particularly in matters relating to vulnerable workers, we believe that increased penalties have a general deterrent effect and can be helpful in encouraging compliance.

In March 2022, we commenced legal action against the operators of the Sushi Bay outlets in NSW,²³ Darwin and Canberra for allegedly underpaying 163 employees – mostly Korean nationals on student, working holiday and 457 skilled worker migrant visas – more than \$650,000. It is also alleged that some workers were subjected to a cashback arrangement and that records were falsified.

We have alleged that the underpayments occurred despite the owner and sole director and Sushi Bay ACT Pty Ltd having been penalised a total of \$124,416 in 2019 for deliberately underpaying migrant workers in Canberra.

In the current proceedings, it is alleged that the systemic and repeated nature of the conduct means that some of the breaches are 'serious contraventions' under the Fair Work Act, and therefore attract 10 times the maximum penalties that would ordinarily apply, up to \$630,000 per contravention.

In another FRAC matter, we obtained \$355,000 in penalties for deliberately underpaid employees at Delishesco Pty Ltd,²⁴ a Brisbane sushi restaurant. Records here were also falsified.

Our ongoing proceedings against CBA and CommSec, commenced in October 2021, also allege serious contraventions. We alleged that CBA failed to pay \$10.05 million to 4,999 employees, and CommSec failed to pay \$6.39 million to 2,426 employees. In both cases we are seeking penalties for the alleged breaches of workplace laws.

²¹ FWO media release, Gold Coast restaurant operators penalised \$225,500, 7 December 2021, www.fairwork.gov.au/newsroom/media-releases/2021-media-releases/december-2021/20211207-fu-kang-penalties-media-release

²² FWO media release, Women's health clinic operators penalised, 1 April 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/april-2022/20220401-pagoda-tree-penalty-media-release

²³ FWO media release, Sushi Bay workers allegedly underpaid \$650,000, 3 March 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/march-2022/20220303-sushi-bay-litigation-media-release

²⁴ FWO media release, \$355,000 penalties for Brisbane sushi restaurant, 6 July 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/july-2022/20220706-delishesco-penalty-media-release

Priority sectors and cohorts

This year the FWO achieved significant litigation outcomes in priority sectors, mostly notably in the FRAC sector, and for vulnerable workers.

We secured \$204,000 in penalties against a Brisbane fast food business, Riddhi Siddhi Pty Ltd (Vege Rama),²⁵ which underpaid a Nepalese employee \$59,400 and falsified records. We also obtained \$355,000 in penalties for deliberately underpaid employees at Delishesco Pty Ltd²⁶.

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 2021–22, the FWO briefed female counsel 37 times and male counsel 40 times.

25 FWO media release, \$204,000 penalties for Brisbane fast food operators, 20 June 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/june-2022/20220620-riddhi-siddhi-penalty-media-release

26 FWO media release, \$355,000 penalties for Brisbane sushi restaurant, 6 July 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/july-2022/20220706-delishesco-penalty-media-release

Our response to the COVID-19 pandemic

Supporting workplaces through the evolving COVID-19 pandemic and recovery phase remains a high priority for the FWO.

The pandemic has had, and continues to have, a significant impact on Australian workplaces, and we are supporting the public by:

- ▶ ensuring the most up-to-date information and advice is available as the situation has evolved over the year
- ▶ working with Safe Work Australia, state and territory agencies, employer associations and unions to ensure consistent and clear advice for workplaces
- ▶ continuing to adjust our resources and services accordingly to meet changing customer needs (including generating new tailored resources as the need arose).

COVID-19 online and phone services

COVID-19 website

FWO's dedicated COVID-19 pandemic website at coronavirus.fairwork.gov.au supports Australian workplaces by providing up-to-date information and advice, as well as addressing common workplace enquiries and issues. The COVID-19 website is available in more than 30 languages. Information and topics covered on the mobile-friendly site include:

- ▶ COVID-19 vaccinations, testing and the workplace
- ▶ pay, leave and stand downs
- ▶ alternative work arrangements
- ▶ returning to work and the workplace
- ▶ health and safety in the workplace
- ▶ help during coronavirus
- ▶ the latest news and updates.

In 2021–22 there were over 5.7 million pageviews of our COVID-19 content. Since it was first published in February 2020, there have been more than 13.1 million pageviews of COVID-19 content.

Throughout the year, we saw engagement with the COVID-19 subsite and content peak during case surges and major Commonwealth and state/territory government announcements – including those announcing restrictions and legislative changes. In terms of vaccination-related content, since initial publication on 26 January 2021, there have been more than 1.8 million views, with the majority (1.6 million) in 2021–22.

Over the past year we continued to refine content regarding workplace vaccination requirements and obligations in collaboration with Commonwealth agencies and departments and as the pandemic has evolved. We have also transitioned content in line with the JobKeeper scheme ending in March 2021. The COVID-19 website continues to be an important resource for Australian employers and employees in navigating various workplace relations issues, and we will continue to add and update relevant content as needed.

In line with our priorities, we are committed to providing guidance and to support people to work safely into the new year in circumstances where COVID-19 will likely remain a significant challenge and concern.

Virtual assistant

The COVID-19 subsite's virtual assistant, 'Frankie', was developed to help answer our customers' COVID-19-related questions online. We continue to update and refine Frankie to ensure customer needs are met, particularly in the ongoing and evolving pandemic landscape.

In 2021–22, there were 95,430 sessions (the total number of times the virtual assistant was opened).

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, it will respond with a safety net response, advising the customer that it can't answer all questions. Frankie encourages customers to visit [fairwork.gov.au](https://www.fairwork.gov.au) for answers to general questions about workplace laws.

As at 30 June 2022, since its launch on 5 June 2020, Frankie had held more than 148,547 sessions (the number of times the virtual assistant has been opened).

Phone services – Coronavirus hotline

In 2021–22, the FWO provided access to COVID-19 information and advice via our dedicated COVID-19 advice phone hotline. Customers seeking COVID-19-related information redirected via an Interactive Voice Response system.

Throughout 2021–22 we received 28,953 calls to the hotline, the majority of which came from employees (68.5%) and small businesses (22.2%).

The top industries to call through for COVID-19 enquiries were:

- ▶ building installation services
- ▶ select social assistance services
- ▶ cafes, restaurants and takeaway food services
- ▶ child care services.

The key areas our customers requested information on related to:

- ▶ vaccination
- ▶ entitlements (including hours of work)
- ▶ general wages (such as hourly rate)
- ▶ annual leave
- ▶ termination and redundancy.

In 2021–22, vaccination-related enquiries jumped significantly to 8,002 calls – up from 199 enquiries in 2020–21. This demand was in line with changes made to workplace vaccination policies as the year progressed. The majority (67%) of the 8,002 enquiries came from existing employees surrounding entitlements (65%) in the following industries:

- ▶ health care and social assistance (21%)
- ▶ construction (10%)
- ▶ retail trade (9%).

Workplace Legal Advice Program (WLAP)

We established the Workplace Legal Advice Program (WLAP) in April 2020 to help eligible workplace participants respond to, and recover from, the ongoing impact of the COVID-19 pandemic. WLAP referred participants to a panel of 11 external legal providers with specialist skills and knowledge in workplace relations. Advice provided was free and confidential to the participant.

WLAP was a valuable customer pathway for the FWO, both during peak and non-peak demand. It supported our operational areas to manage customer requests within the scope of the program responsively, efficiently and effectively. Since its inception, the WLAP referred a total of 5,104 matters (with a total of 51% of referral requests coming from employers).

In 2021–22 WLAP was especially active, referring 3,355 employers and employees (up from 1,334 referrals in 2020–21, and representing 66% of the total 5,104 referrals made). There was less demand from employers (28%) compared to the previous financial year, with employees making most requests (72%). The top 3 industry referrals came from:

- ▶ cafes, restaurants and takeaway food services
- ▶ social assistance services
- ▶ building installation services.

Across the board we saw very strong demand this year for vaccination-related advice and assistance (2,865 of 3,355 referrals), especially during August to December 2021. Other referrals centred around:

- ▶ workforce management advice
- ▶ stand downs
- ▶ hours of work.

COVID-19 stakeholder activities and engagements

In 2021–22, the FWO continued working closely with government, industry, and community stakeholders to respond to workplace relations issues resulting from the ongoing pandemic.

Our cross-governmental work has led to a variety of collaborative engagement opportunities including expanding our suite of FWO-run webinars featuring key community and government stakeholders as special guests. Typically held monthly, these webinars inform customers on a broad range of topics relating to COVID-19 and workplace relations, including tailored information for priority industries and vulnerable workers. They also allow us to reach regional and international customers.

Other key collaborative engagements and activities include:

- ▶ continuing to meet with industry, employer and employee organisations to understand the impact the pandemic has had on different sectors
- ▶ collaborating with the Australian Taxation Office and with Safe Work Australia to coordinate COVID-19 information and links across each agency's website, and ensure information was clear and consistent
- ▶ reaching out to community organisations and intermediaries to supplement virtual engagement and encourage conversations surrounding legislative changes and new resources.

COVID-19 Pandemic: Supplementing Industrial Relations Advice Services grants

In 2021–22, the FWO continued its administration of the COVID-19 Pandemic: Supplementing Industrial Relations Advice Services grants. With additional funding provided to the FWO in 2020, these grants provided \$1.5 million to each of the Ai Group, ACCI and ACTU to supplement existing industrial relations advice services to meet the increased demand for advice on Commonwealth workplace laws, driven by the COVID-19 pandemic. Throughout the 3-year term of the grants, the Ai Group, ACCI and the ACTU have reported regularly on financial and performance outcomes. The grant activity has now concluded.

COVID-19's impact on our services

Over the last year, the FWO has continued its statutory function to provide education, advice and enforcement in proportionate and appropriate ways, consistent with the public interest.

We recognise the ongoing significant impact the COVID-19 pandemic has on workplaces and we remain committed to, and 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 employer conditions when addressing instances of non-compliance, those found to be engaging in egregious or systemic non-compliance will continue to be held to account.

In 2021–22, our Fair Work Inspectors recommenced face-to-face compliance and enforcement activities, taking appropriate precautions in line with formal state and territory government guidance for the health and safety of our employees and customers. Our Employer Advisory Service (EAS) continued to support small businesses (for more information on the EAS, see Advice, education and dispute resolution services on page 45).

We continued to refer customers to our national call centre and online services, and conducted site visits and physical attendance where pertinent (including at education and engagement events).

COVID-19 enforcement and compliance

As part of the Government's JobKeeper initiative, the FWO was responsible for advising on and enforcing the JobKeeper provisions in the Fair Work Act.

The FWO recovered \$191,620 for JobKeeper-related matters in 2021–22. Since the JobKeeper scheme came into effect, we have commenced 1,543 requests for assistance, recovering more than \$1.1 million in unpaid entitlements for 377 employees.

One substantive matter concerned an unlawful JobKeeper cashback arrangement where a sole trader, who operates a school bus service in the Greater Brisbane/Logan area, required one of its casual employees to return JobKeeper payments. In total, the owner unlawfully required the employee to repay \$5,805 in JobKeeper payments.²⁷

Following court action by the FWO, the employer was ordered to pay a \$14,000 penalty. The affected employee has also been back-paid a total of \$6270.40.

²⁷ FWO media release, Unlawful JobKeeper cashback penalised, 22 February 2022, www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/february-2022/20220222-buchanan-penalty-media-release

Online services

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
- ▶ industry-specific information on workplace laws
- ▶ 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 more than 30 different languages
- ▶ professionally translated information and resources in more than 30 languages.

In October 2021 we launched our refreshed website on the GovCMS platform. The new website is faster and more secure for our customers and provides a fresh new design and information architecture and improved usability. It also delivers a range of new content and resources (for more information, see Tailored information and resources on page 40). The refreshed website includes:

- ▶ a new customer portal platform
- ▶ an updated Library, an online location for technical workplace relations knowledge and articles
- ▶ content updates and optimisation, including rebuilds of the Online Learning Centre, workplace basics quiz, interactive templates and graphics, and more.

In 2021–22, fairwork.gov.au visits increased by 6% on the previous financial year to 22.6 million visits.

Table 2: Website visits and users, 2019–22

	2021–22	2020–21	2019–20
fairwork.gov.au visits	22,620,454	21,373,555	20,706,559
fairwork.gov.au users	13,561,689	12,461,633	11,790,566

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.

Tailored information and resources

This year we have continued to optimise and expand our suite of online tools and resources to provide more tailored, up-to-date information and assistance to our customers. We are agile and always ready to review and enhance our resources as the workplace relations landscape changes (this has been particularly apparent in relation to COVID-19 information and resources ever since the pandemic began).

To continue to support employers and employees and to help prevent and resolve workplace issues, in 2021–22 we launched:

- ▶ a new section with information and material to service and support employees with disability
- ▶ a contract cleaning section with tailored information, case studies and resources, based on user research to illustrate key topics
- ▶ updates to website content and resources, including the Fair Work Information Statement, to address Respect@Work recommendations
- ▶ a new sham contracting video resource
- ▶ 4 new videos about the National Employment Standards, including Auslan translation
- ▶ 2 new online courses for franchisors and franchisees
- ▶ updates to the Horticulture Showcase (particularly in relation to the piecework changes in the Horticulture Award).

Our website and all our online material are reviewed and updated regularly to meet the community's evolving needs and to ensure information is always accurate.

Horticulture Showcase

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

- ▶ pay and piecework rates
- ▶ piecework record-keeping tips
- ▶ hours of work and overtime
- ▶ deductions for accommodation, transport and job finding
- ▶ information specifically for migrant workers
- ▶ tips on how to source labour
- ▶ self-audit checklists for growers.

The showcase also includes a series of educational videos, an inbuilt automatic translation tool that enables users to translate content into more than 30 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 April 2022, the FWC announced significant changes to the Horticulture Award, the main feature of which was a new minimum wage guarantee for pieceworkers. The guarantee means that all pieceworkers must be paid, at a minimum, the legislated hourly rate (dependent on their classification and employment type, including the casual loading if applicable).

As a result of these changes, we implemented a comprehensive communications plan, in the lead up to, and when the FWC changes commenced to ensure workplace participants in this industry were aware of the changes and to help them prepare, including:

- ▶ 2 paid communications campaigns aimed at increasing awareness for employers and employees
- ▶ 5 new downloadable resources including a checklist, record-keeping templates and an information sheet
- ▶ news articles and comprehensive updates to information and material on the FWO website and Horticulture Showcase about how piece rates work and what the changes meant for employers and employees
- ▶ examples demonstrating how to calculate the new minimum wage guarantee and average employee productivity
- ▶ simple illustrations to complement new resources and information. These present information for employers and employees in an easy-to-understand format, using images and simple language.

We also emailed subscribers at key points to share our information, and to alert and remind them of the upcoming changes.

Collectively, Horticulture Showcase pages were viewed 82,491 times during 2021–22. The Showcase was translated a total of 2,542 times (up from 1,469 instances in 2020–21).

Contracting resources

To help our customers understand the differences between employees and independent contractors, we maintain a suite of web content and resources on our website.

This year we published and promoted 6 sham contracting videos in a communications campaign that ran from August to September 2021, educating employers and employees on the practice and how to avoid it. The campaign generated 7.2 million impressions and informed the community about our tailored resources, which include a dedicated website page for independent contractors and a downloadable fact sheet.

In 2021–22, the independent contractors page was viewed 166,092 times and the fact sheet was downloaded 7,082 times.

Fast food, restaurants and cafes (FRAC)

Our website continues to provide industry-specific information for employees and employers. We provide interactive tools and templates, and cover common FRAC issues such as:

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

The information and interactive tools were regularly updated during the year to reflect changes to workplace laws during the COVID-19 pandemic, such as the inclusion of pandemic leave and the former JobKeeper scheme, and to make improvements based on user testing and other intelligence.

These pages were collectively viewed over 657,000 times in 2021–22 (up significantly from 373,000 times in 2020–21).

Casual employment

Employers must give their casual employees the Casual Employment Information Statement before, or as soon as possible after, they start a new job. The Statement was first published on 29 March 2021. The Statement and our existing online 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.

To make sure it is more accessible to vulnerable workers, in October 2021 we updated the Statement based on user testing insights and in February 2022 published it in more than 30 languages on our website. In 2021–22, the Statement was downloaded 156,516 times, and the related casual employees website pages were viewed 838,822 times.

In-language information

We provide professionally translated in-language information – including downloadable resources and videos – in more than 30 languages.

In 2021–22, we expanded and enhanced our professionally translated in-language content by:

- ▶ including foreign-language subtitle options in a number of our videos
- ▶ issuing an increasing number of media releases in languages other than English, allowing us to better communicate with culturally and linguistically diverse employees
- ▶ translating key messaging on FWO social media to target particular language groups in high-risk industries such as horticulture and FRAC
- ▶ translating key Horticulture Showcase resources into different languages (following the FWC's changes to the Horticulture Award).

In 2021–22, our in-language videos received more than 32,000 views. Since first publishing in-language videos to our website 5 years ago, total views have now exceeded 225,000.

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 on page 24.

To ensure users have access to the information they need, our website also has an auto-translation tool, which translates most pages on our website into more than 30 languages for people from culturally and linguistically diverse backgrounds. In 2021–22, over 128,000 website pages were translated using the auto-translation tool. The most translated pages related to pay and minimum wages.

Table 3: Website translation tool most popular languages, 2021–22

Language	Number of pages translated
Simplified Chinese	55,546
Korean	15,756
Japanese	12,864
Spanish	8,312
Vietnamese	5,922

Online education and compliance tools

We developed our broad suite of online content and tools to educate employers and employees about their workplace obligations and entitlements and empower them to resolve issues.

In 2021–22 we again saw relatively consistent or increased usage of our online tools such as our Pay calculator (PACT), our fact sheets, best practice guides, templates and Online Learning Centre.

PACT increased 18% more in 2021–22 to a record 5.6 million times (up from 4.7 million) and calculations also increased on the previous financial year by 13% to 6,538,853. The top industries viewed in PACT were:

- ▶ hospitality
- ▶ building, construction and on-site trades
- ▶ retail (the General Retail Industry Award was the most searched-for award).

The FWO provides a range of resources on workplace relations topics for employees and employers, including fact sheets and best practice guides. In 2021–22 these were collectively viewed over 3.4 million times.

Our interactive templates (online forms that employers and employees can fill out to generate a tailored template letter) were collectively downloaded 59,736 times, again growing in popularity from 2020–21. Additionally, our other templates were downloaded 341,680 times.

Our Online Learning Centre provides free interactive online courses that teach skills and strategies to assist employers and employees to work better. Customers commenced 48,524 online learning courses in 2021–22, the most popular courses included:

- ▶ managing employees
- ▶ workplace flexibility
- ▶ diversity and discrimination
- ▶ difficult conversations in the workplace – employee course.

Our online tools are informed by user research and testing. In 2021–22, we continued key partnerships across government and with industry experts to deliver a variety of communication initiatives, and continued to evolve and refine our website content, tools and resources, including (but not limited to):

- ▶ Horticulture Showcase content and resources
- ▶ new contract cleaning content and resources
- ▶ COVID-19 content
- ▶ CN resources
- ▶ sexual harassment content
- ▶ Online Learning Centre
- ▶ interactive templates and graphics
- ▶ Workplace Basics Quiz.

Over the last financial year, we answered 37,616 My account enquiries (across both the old and new customer portal platforms), most of which came from employees and their representatives (75%). The majority of enquiries came from the following industries:

- ▶ Health Care and Social Assistance (15%)
- ▶ Professional, Scientific and Technical Services (10%)
- ▶ Accommodation and Food Services (10%)
- ▶ Retail Trade (8%)
- ▶ Construction (8%).

Online enquiries and My account

In 2021–22 we answered 49,463 online enquiries via My account, web chat, email, Facebook, LinkedIn, and Twitter. We answered 8,752 enquiries over web chat and email, and a total of 3,095 enquiries across Facebook, LinkedIn and Twitter accounts. As at 30 June 2022, our Facebook followers grew to a total of 174,949, reaching almost 7.5 million people. Our LinkedIn account experienced a 16% growth in followers and including YouTube, our following surpassed a quarter of a million, growing 9% in total from the previous financial year.

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

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

In February 2022 we launched an upgraded and modernised version of My account in line with our new website's look and feel. The upgrade also improved security and overall provides improved web performance, including:

- ▶ new landing page design and improved navigation
- ▶ an 'Alerts and important updates' section
- ▶ a new 'Resources' section that suggests templates and problem-solving guides (in addition to training courses) tailored to individual customer profiles
- ▶ introduced multifactor authentication (MFA) in line with government standards.

Email subscription services

In 2021–22 we shared 104 email updates and newsletters (up significantly from 57 in the previous financial year), sending out over 7 million emails (up from 3.8 million) to our subscriber base of over 578,000 active subscribers. We achieved an overall open rate of 39% (the average open rate for government emails sits at around 31%).

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.

Respect@Work Council and Respect at Work amendments

As a core member of the Respect@Work Council, chaired by the Australian Human Rights Commission (AHRC), the FWO will continue to work across government to progress the recommendations of the 2020 'Respect@Work: Sexual Harassment National Inquiry Report' (Respect@Work Report).

In September 2021 the Sex Discrimination and Fair Work (Respect at Work) Amendment Act 2021 (Respect at Work amendments) took effect. The aim of the changes is to ensure that employees are protected and empowered to address sexual harassment at work, including changes surrounding:

- ▶ introduction of stop sexual harassment orders
- ▶ defining sexual harassment
- ▶ clarifying that sexual harassment at work can be a valid reason for dismissal
- ▶ compassionate leave entitlements are now available for miscarriage.

Between September and November 2021, we updated our website and online resources to accurately reflect the legislative changes, including updating the Fair Work Information Statement and a new 'sexual harassment in the workplace' webpage. The information was developed in consultation with SafeWork Australia, FWC and AHRC to ensure consistent messaging and appropriate referral pathways.

We will continue to work productively with the Respect@Work Council on advancing specific recommendations, as well as collaborating with other government agencies to deliver improved guidance and information to the Australian community.

Advice, education and dispute resolution services

Phone services

In 2021–22 our advisers answered over 298,300 calls, with the majority coming from employees or their representatives (69%). We answered 37,616 enquiries via My account, and answered 8,752 emails and web chat queries.

Our dedicated Small Business Helpline answered 56,653 of those calls. The most common enquiry types for the Small Business Helpline were:

- ▶ entitlements
- ▶ wages
- ▶ termination.

Customers seeking COVID-19 advice via our phone services were directed to our COVID-19 website for the most up-to-date information or asked to select our Coronavirus hotline through our Interactive Voice Response system. Similar to 2020–21, COVID-19 website enquiries contributed to an overall reduction in calls answered.

Table 4: Calls answered, 2019–22

Phone Service	2021–22	2020–21	2019–20
General Business Helpline	270,646**	308,229*	345,699
Small Business Helpline	56,653	67,692	78,556
Total (Fair Work Infoline)	298,346	375,921	424,255

*This includes 46,276 calls answered by our Coronavirus hotline

** This includes 28,953 calls answered by our Coronavirus hotline

Education and dispute resolution services

We assess each assistance request we receive involving a workplace dispute. The FWO provides educational resources and advice to assist parties understand their rights and obligations under workplace laws rather than commence an investigation. This approach helps maintain productive, harmonious and cooperative employment relationships, and can enable a faster recovery of unpaid wages.

In 2021–22, we completed 14,425 workplace disputes (77% of all disputes) through our education and advice services.

We provide tailored advice in response to the issues raised and the needs of employees and employers in order to promote workplace law compliance, including information on:

- ▶ workplace rights and responsibilities
- ▶ potential options available including how to discuss issues directly in the workplace
- ▶ likely outcomes based on the information provided by the parties
- ▶ what to expect if an investigation occurs.

Employer Advisory Service (EAS)

In July 2021 we established the EAS to assist small businesses to understand and comply with their obligations under the Fair Work Act. In its first year of operations the EAS provided more than 1,300 pieces of tailored, written advice on the National Employment Standards, award provisions, record-keeping requirements, and other matters relating to pay and employee entitlements. Demand for the service increased steadily throughout the year.

We have measured positive customer satisfaction rates at over 87%, with 92% of employers saying they would use the EAS again.

In total, EAS content on our website was viewed more than 21,000 times. We look forward to further supporting small businesses into the new financial year, including in relation to the ongoing pandemic.



PART 3

ROC performance report

Review by the Commissioner
ROC annual performance statement
ROC at a glance
ROC priorities and activities: driving
and influencing compliance
How we influence organisations
Digital transformation
The ROC's regulatory role: driving
compliance through regulation
Service standards

Review by the Commissioner



Registered Organisations Commissioner, Mark Bielecki.

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 2022, there were 96 federally registered organisations made up of 54 employer associations, 41 unions and one enterprise association, comprising 281 individual reporting units across Australia. Registered organisations have reported to the ROC that for financial reporting years ending in 2021, cumulatively they have more than 2 million members, control more than \$3.5 billion in assets and collected annual revenue of almost \$1.6 billion.

We are focused on encouraging behaviours in registered organisations that see them consistently acting in the best interests of their members, ensuring members' money is spent in a way that is transparent, properly authorised and which complies with their obligations under the RO Act and their rules.

The ROC is highly responsive to the changing needs of registered organisations and because we want them to succeed, our strategy is built around creating value for them. We do this by delivering tools, resources and systems that make it easier for them to meet their compliance responsibilities while minimising compliance costs. We also provide one-on-one guidance in response to requests for assistance by registered organisations.

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 2021–22, new initiatives included a digital classroom to deliver a streamlined and engaging online learning environment for officers and administrators and a pilot 'ROC to You' outreach program, with tailored compliance solutions for registered organisations and branches. These new initiatives were delivered in addition to a suite of other resources such as online panel discussions and masterclasses, e-learning modules, fact sheets, guidance notes, newsletters and podcasts.

During the financial year, we released education materials with an increased focus on good governance in response to stakeholder feedback, and common and emerging themes in non-compliance reported to the ROC. Issues relating to the management of organisations' funds, policies, credit card use, record-keeping and accountability have been identified. We have produced a range of materials to assist officers and their organisations to succeed and will continue to focus on successful governance practices in 2022–23.

The ROC is committed to ongoing digital transformation to make it as easy as possible for registered organisations to access and use our systems and resources, both now and into the future. This is because we know through experience and analysis that registered organisations who use resources, such as our recommended templates are much more likely to achieve efficiency and cost minimisation through first time compliance.

In 2021–22, we continued our preliminary work towards a portal – an online interface on our website that would allow registered organisations to digitally lodge certain documents with the ROC, saving them

time and giving them greater transparency, visibility and control over their information. Engagement with our stakeholders about the proposed portal continues to be extremely positive and we are continuing this work into 2022–23.

We are a small and specialised regulator, with 30 staff members as at 30 June 2022, working across 3 functional areas: education and reporting, financial analysis, and compliance and enforcement. Each of these integrated 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.

The ROC's regulatory environment is complex, and while it applies equally to the 96 registered organisations and their 281 reporting units that we regulate, we recognise that the governance and compliance resources available to each of them varies significantly. For example, the largest registered organisation has 295,357 members and the smallest has 3.

We consistently see many contraventions which we aim to have rectified through voluntary action by organisations. This includes guidance, self-help tools and educational materials to assist registered organisations to better understand their compliance obligations and remediate their compliance breaches, particularly where an error was inadvertent or there was a genuine attempt to comply.

During this reporting period, we have noticed an increase in non-compliance with financial reporting as a result of new disclosure requirements in the Australian Accounting Standards that apply to registered organisations. We are working with registered organisations and their auditors to ensure a better understanding of these requirements.

Experience has demonstrated that our facilitative approach helps us drive high levels of voluntary compliance with the RO Act. In a small number of serious cases involving systemic, repeated, opportunistic or deliberate non-compliance, we take appropriate enforcement action using the regulatory tools available to us, including court proceedings. In 2021–22, we commenced civil penalty proceedings in one matter in the Federal Court.

In February 2022, I accepted the recommendations made to me at the conclusion of the well-publicised investigation into the Australian Workers' Union (AWU) National and Victorian Branches in the matter involving unauthorised donations. The investigation concluded that there was insufficient documentary evidence of specific conduct that contravened officers' duties provisions in the RO Act and it was not in the public interest to take further regulatory action against the AWU.

This had been a protracted matter. The original investigation commenced in October 2017, triggered by media reports from August 2017, and suspended after the AWU commenced proceedings in the Federal Court to have our investigation quashed. The ROC was successful on all grounds and the Full Court of the Federal Court found that the AWU's challenges to the validity of the investigation and the ROC's jurisdiction were without merit. This enabled the investigation to recommence in January 2021 and it concluded in December 2021.

The ROC's investigation determined that the AWU National Executive did not approve any of the 20 donations that were the subject of the investigation and contravened the RO Act, or its predecessor legislation, on at least 9 occasions. However, because of the AWU's inability to produce relevant documents, the investigation was unable to attribute any of the specific failures by the National Executive or the AWU to any one or more individuals or office holders.

The pandemic continued to affect the ROC and its stakeholders alike in 2021–22. Our offices are in Melbourne and Sydney and ROC employees continued to work (often from home) through lockdowns and other COVID-19 restrictions as high rates of illness circulated in their communities. I'm pleased to say that in 2021–22 the ROC met or exceeded all of its KPIs and I thank my team for the work they have done in what have been particularly challenging times.



Mark Bielecki
Registered Organisations Commissioner

ROC annual performance statement

I, Sandra Parker, as the Entity's accountable authority, present the 2021–22 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.

Results¹

Table 5: ROC 2021–22 results

Performance indicator	Target	Result
The percentage of financial reports required to be lodged under the RO Act that are assessed for compliance within 40 working days.	95% or greater	100%
The percentage of annual returns required to be lodged under the RO Act that are assessed for compliance within 40 working days.	95% or greater	100%
The percentage of lodgements of prescribed information for an election that are dealt with within 40 working days.	95% or greater	99.4%
The percentage of lodgements of applications for registration by an auditor that are dealt with within 40 working days. ²	95% or greater	97.1%
An annual Education Strategy will be published by 30 June each year outlining the education activities and resources that will be developed and delivered during the next financial year.	95% or greater	100%
The percentage of Education Strategy activities that are delivered during the financial year.		

¹ The language used to describe the KPI targets has been changed from how it appeared in the FWOROCE's 2021–22 Corporate Plan to reflect reporting best practice. The measures themselves and the methodology used to calculate the measures have not changed.

² The wording of this KPI will change in the 2022–23 year and beyond to: "Applications for registration by auditors are assessed within 40 working days." This wording more accurately reflects the reality of the auditor registration process and allows the ROC to be accountable for its own internal timeframes – not timeframes that it cannot control due to external factors.

Analysis of performance against ROC purpose

As at 30 June 2022 there were 96 federally registered organisations comprised of 281 reporting units. In general, a reporting unit is a branch or national office of a registered organisation. 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 from the requirement of having the Australian Electoral Commission conduct their elections). 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 the wider community.

The ROC is pleased to report that all of its KPIs were met in 2021–22 – including 100% of financial reports having been assessed and 100% of annual returns processed within the KPI of 40 working days. Additionally, 99.4% of lodgements of prescribed information for elections were resulted within the KPI of 40 working days and 97.1% of applications for registration by auditors dealt with within the KPI of 40 working days.

We helped to promote improved compliance by fostering the contemporary good governance and financial accountability of organisations through education and the provision of advice and assistance. In 2021–22, we delivered 100% of the items on our National Education Strategy, which was published in June 2021.

ROC at a glance

WE REGULATE



96 registered organisations
281 reporting units
372 registered auditors

THEY HAVE MORE THAN



2 million members
\$3.5B in assets
and collected almost
\$1.6B in annual revenue

The largest registered organisation has **295,357** members and the smallest has **3**.



34
major education
activities delivered



2,341
podcast episodes
downloaded in
previous 12 months



314,574
visits to the website – a
38.4% increase on the
previous year



59,855
documents
downloaded



1,274

times the digital classroom was accessed online



2,005

reminders and alerts issued



54

exemptions from financial training granted



41

whistleblower disclosures received



1,653

regulatory matters were assessed and closed



99.7%

of organisations and branches lodged ORP statements on time



100%

of organisations lodged their annual returns by the statutory deadline of 31 March



74%

of financial returns with a 2021 year end date were assessed as compliant

WITHIN 40 WORKING DAYS



100%

of financial and annual reports were assessed for compliance

99%

of the prescribed information for elections lodged with the ROC was dealt with

97%

of applications for registration of auditors were dealt with

Data as at 30 June 2022.

ROC priorities and activities: driving and influencing compliance

Our purpose, functions and priorities

The ROC is headed by the Registered Organisations Commissioner and was established in 2017 under the RO Act. Our purpose is to promote the efficient management and high standards of accountability of registered organisations and their compliance with the financial reporting and accountability requirements of the RO Act. We do this through education, encouraging proactive compliance, and regulatory interventions. Many of the obligations we monitor have been in industrial relations legislation for up to 100 years.

We regulate 96 registered organisations (unions and employer associations), 281 reporting units and 372 registered auditors.

The Registered Organisation Commissioner

Mr Mark Bielecki is the Registered Organisations Commissioner. He is an experienced lawyer and has worked in both government and private practice. He has been Registered Organisations Commissioner since the ROC was established in May 2017. In March 2022 he was reappointed by former Attorney-General Michaelia Cash for a further 2 years, commencing 1 May 2022.

ROC structure and staffing

The ROC and the Office of the Fair Work Ombudsman (FWO) are regulatory bodies that form part of a combined Entity for the purposes of the PGPA Act. This combined Entity is known as the Fair Work Ombudsman and Registered Organisations Commission Entity (FWOROCE). Some of the ROC's regulatory requirements are fulfilled jointly with the FWO through the FWOROCE.

Staff members of the ROC are employed by the FWO to assist the Registered Organisations Commissioner. The ROC is a lean agency comprising 30 staff (a total ASL equivalent of 29.3 as at 30 June 2022). The Commission has a main office in Melbourne, with a smaller office in Sydney.

We deliver our functions through 3 main work streams:

- ▶ education and reporting
- ▶ financial reporting and analysis
- ▶ compliance and investigation.

How we influence organisations

Education activities

The ROC has a comprehensive education function and role. The ROC routinely engages with registered organisations and peak bodies to provide informative and practical tools and answers to queries to assist organisations to comply with their statutory obligations. This helps registered organisations achieve high levels of voluntary compliance with the provisions of the RO Act.

We have a National Education Strategy that is released annually ahead of each forthcoming financial year, informed by feedback from our stakeholders. This is used by stakeholders to plan how they will meet their education needs.

In 2021–22, the ROC developed and released new education tools as part of this education strategy. This included interactive online webinars and workshops, podcasts, fact sheets, guidance notes, e-learning modules, compliance updates, newsletters, and the development and delivery of a new digital classroom.

The digital classroom is a virtual one-stop shop for people in registered organisations at every stage of their compliance journey – whether they are new to compliance or want to improve their existing understanding of the technical requirements under the RO Act. It is designed to help them find the information they need to achieve voluntary compliance. It combines the critical materials we have already produced – including fact sheets, podcasts and case summaries – into modules that people can complete at their own pace. There are 9 modules, including financial reporting, elections, officers' duties, disclosure obligations, notifications of change, loans, grants and donations, and the whistleblower scheme. The digital classroom was launched in November 2021 and as at 30 June 2022 had been accessed from our website 1274 times.

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 improve their internal

governance procedures. During the 2021–22 financial year, there were 12 podcast episodes recorded and made available online. During the financial year there were 2,341 downloads of ROCpod episodes.

We also published a compliance update about appropriate use of credit cards in response to an increase in allegations of credit card misuse in our inquiries, investigations and whistleblower disclosures. This update was to assist registered organisations and branches to promote the proper use of credit cards by providing current, anonymised examples based on actual reports of non-compliance. This allows the ROC to share the practical learnings from a single investigation with the wider regulated community. The ROC also produced its first annual financial reporting compliance report card to give reporting units insight into compliance rates and common non-compliance issues.

The ROC website (www.roc.gov.au) continues to provide information and tools to assist organisations with compliance. In 2021–22 we received 314,574 visits to the website – a 38.4% increase on the previous year. In the same time period, 59,855 documents were downloaded from the website – a 1.5% decrease on the previous year.

There are 698 subscribers who receive email communications from the ROC, including our quarterly newsletters, educational materials and event information.

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

In 2021–22, we delivered 34 major education activities 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 6: Major education activities delivered in 2021–22

	2021						2022					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
ROCpod	★	★	★	★	★	★	★	★	★	★	★	★
Compliance update	★								★			
Online panel discussion				★								
Launch of ROC LinkedIn channel	★											
E-Learning module						★		★		★		
Compliance snapshot		★		★								
ROC to You launch			★									
ROC quarterly newsletter		★			★			★			★	
Digital classroom					★							
Hot topics			★						★			
Annual Education Survey							★					
s. 271 resources										★		
Online masterclass											★	
Financial reporting checklist												★
National education strategy released												★

‘ROC to You’ pilot program

In September 2021 we launched our ‘ROC to You’ 12-month pilot program, providing registered organisations with an opportunity to get on-demand information about specific compliance topics. Organisations can request virtual presentations, one-on-one meetings or tailored information packs and can access subject matter experts on the compliance topics they identify they need help with.

In addition to providing tailored information to stakeholders, the ROC to You program is designed to build relationships and develop pathways for further and ongoing engagement, inform the regulated community about legislative updates and requirements and provide education about the ROC’s tools and resources that assist with voluntary compliance.

ROC to You is intended as a pilot program for 12 months. The ROC will assess stakeholder feedback before deciding whether to continue the program beyond this timeframe.

As at 30 June 2022, 14 ROC to You activities had taken place.

Promoting effective governance and financial accountability

In 2021–22, 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 tailored reminders to them and to their reporting units prior to their obligations arising. This is designed to assist them with timely compliance. In 2021–22, we issued 2005 reminders and alerts – an increase of 14.4% on the previous year. These comprised:

- ▶ 938 reminders about the requirement to lodge an officer and related party disclosure statement
- ▶ 222 reminders about the requirement to lodge an annual return of information
- ▶ 421 reminders about the requirement to lodge a financial report
- ▶ 257 reminders about lodging statements of loans, grants and donations
- ▶ 113 reminders about the need for reporting units to rotate their auditors
- ▶ 54 reminders about the requirement to lodge information for an election
- ▶ 377 alerts about training for office holders.

Assessment for compliance and publication for transparency

The RO Act requires registered organisations to lodge certain information with the ROC. This includes:

- ▶ officer and related party disclosure statements
- ▶ annual returns of information
- ▶ notifications of changes to officers and offices and other information contained within annual returns
- ▶ financial reports
- ▶ prescribed information to arrange for an election
- ▶ loans, grants and donations statements
- ▶ applications for registration of auditors
- ▶ exemptions from the need to undertake governance training.

On average, the ROC receives 1,697 lodgments each year, which we must assess for compliance with the RO Act.

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 2021–22, 1,653 regulatory matters were assessed and closed – a 13.9% decrease on the previous year. Most statutory lodgements by organisations are published on our website.

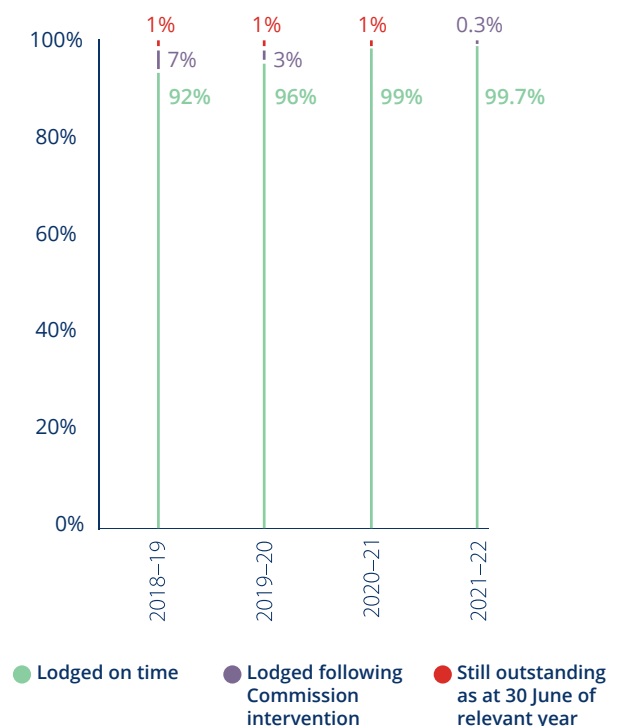
Officer and related party disclosure statements

Organisations and branches are required to provide their members with their officer and related party (ORP) disclosure statement and to lodge a copy with the ROC. ORP statements provide information about remuneration received by the top 5 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 2021–22 year, the ROC provided educational information on ORPs to registered organisations and their branches. We also engaged directly with organisations on 2 occasions about how the provisions are applicable to their circumstances.

We have seen improvement in compliance with this obligation. In 2021–22, 99.7% of organisations and branches lodged their statements with the ROC within the statutory timeframes (within 6 months of the end of their financial year) compared with 99% the previous year. This is considered to be an excellent result.

Figure 2: Percentage of officer and related party disclosure statements lodged within statutory timeframes

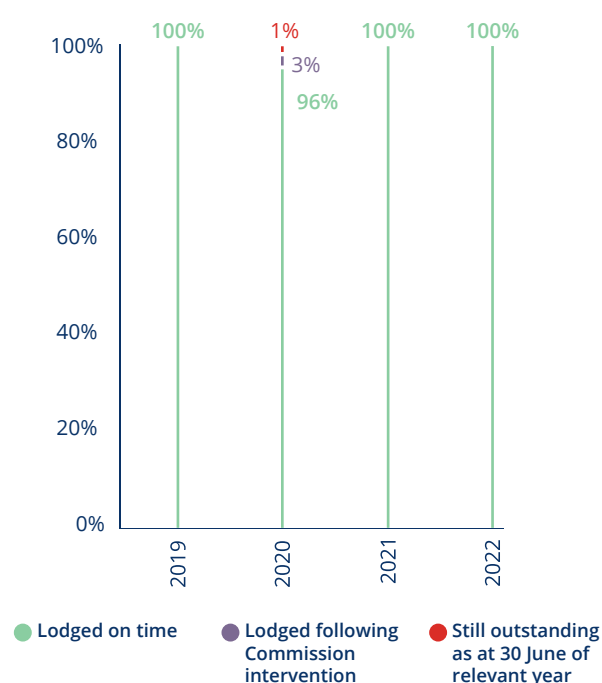


Annual returns of information

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 information such as who their officers are and when elections are due.

In 2021–22, 100% of organisations lodged their annual returns by the statutory deadline of 31 March.

Figure 3: Percentage of annual returns of information lodged within statutory timeframes



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 2021–22, around 21% of financial reports were assessed against all 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
- ▶ all required reports and statements are lodged with the ROC and have been provided to members
- ▶ 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.

As at 30 June 2022, of the financial returns with a 2021 year end date that had been lodged and assessed for compliance, 74% met the key compliance measures listed above, compared to 84% in 2020, 81% in 2019 and 84% in 2018.

Changes to some of the Australian Accounting Standards that are applicable to the financial reporting for registered organisations came into effect for registered organisations with annual reporting periods beginning on and after 1 January 2019. The ROC assesses whether financial reports are adhering to the new accounting standards – AASB 15 Revenue from Contracts with Customers, and AASB 16 Leases. We are seeing a trend of non-compliance with these new requirements, which is in turn affecting the overall compliance trend for financial reporting.

Educational resources have been produced to help remedy this issue, so that reporting units can meet their compliance obligations. More educational activities are scheduled for 2022–23, and there will be more advanced reviews of financial reports so that we can help organisations to avoid potential ongoing non-compliance.

Table 7: Initial compliance of financial reports with the financial year end 2021, 2020, 2019 and 2018

	2021	2020	2019	2018
Primary review	73%	80%	80%	83%
Advanced review	38%	74%	58%	70%
Applications for reduced reporting requirements and applications for exemptions	100%	100%	96%	99%
Total	74%	84%	81%	84%

Figure 4: Percentage of financial returns assessed as compliant



*For organisations with a financial year ending in 2021 assessed by 30 June 2022

Registration of auditors

The RO Act requires that all financial reports of registered organisations and branches must be audited by an auditor registered by the Registered Organisations Commissioner before they are provided to members, presented to a meeting and lodged with the ROC.

As at 30 June 2022, there were 372 registered auditors. This was an 9.4% increase in registrations over the number at 30 June 2021. In 2021–22, 100% of financial reports were audited by a registered auditor demonstrating a continued high level of compliance.

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

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

Some reporting units have reached the time where they must rotate their registered auditor for the first time. The ROC has continued to take proactive steps in 2021–22 to educate registered organisations and their branches about this requirement, sending 113 courtesy letters to organisations and their auditors about the timeframes for rotation.

In 2021–22, we identified one instance where an auditor played a significant role in a reporting unit for more than five consecutive years. We are conducting preliminary enquiries with the auditor and reporting unit about this.

Approved financial training for office holders

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

The ROC promotes participation in approved governance training among officers with financial management responsibilities.

There are 19 financial training courses the ROC has approved that can be undertaken by the relevant officers, some of which are online. This includes one financial training course that was approved during 2021–22.

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 s 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 either their experience as a company director, their experience as an officer of a registered organisation or other professional qualifications and experience. In 2021–22, the Commissioner granted 54 exemptions.

Digital transformation

The ROC has been undertaking the digital transformation of many of its resources, tools and systems to ensure they are easily accessible by registered organisations both now and into the future.

We committed to continuing this process in our 'Regulator Statement of Intent' published in December 2021 in response to the 'Statement of Expectations' provided by the Minister. One of these commitments was to increase the use of digital tools and resources wherever possible to meet stakeholder needs – including the delivery of education resources and improvements to systems and infrastructure. We are also committed to seeking opportunities to remove duplication and streamline processes to improve efficiency and lift productivity – including examining inefficiencies in existing systems and processes and using enhanced technology where possible to make it easier for stakeholders to comply with their obligations.

We now have a range of digital education tools such as the digital classroom, podcast episodes, online masterclasses and webinars, and have enhanced our website, stakeholder newsletter and developed a social media presence.

ROC portal project

The ROC is currently in the design phase of a project to deliver an interface (a portal) that would allow registered organisations to digitally lodge certain documents.

The lodgement process currently has a number of inefficiencies and often requires registered organisations to print, complete, scan and email forms to the ROC. ROC staff then manually process forms into our case management system.

The portal would significantly reduce red tape for stakeholders and improve efficiencies for the ROC itself. This includes:

- ▶ reducing duplication by allowing information the ROC already has to be pre-filled into important forms
- ▶ reducing errors by having a visual, accurate and up-to-date record of officers and other essential information available to organisations to assess and update live
- ▶ providing national offices with greater oversight of their state branches
- ▶ improving compliance and data analysis by keeping digital, searchable and exportable records of important information.

We have undertaken 2 stakeholder engagement sessions with registered organisations and peak bodies about the proposed portal. The most recent, in April 2022, involved gathering feedback on the proposed design concepts to ensure they were fit-for-purpose and would save stakeholders' time.

We surveyed participants of the session to gather feedback and found that there is strong support for the digital portal. Examples of this feedback include:

- ▶ 'I think the portal would be a more efficient way of lodging notifications or changes and annual returns. I think it would also be easier to have the information of the current officers etc in the portal instead of referring to our own electronically filed documents. This would align with how information is managed in ASIC and ACNC's portals.'
- ▶ 'A properly funded and designed portal would greatly assist with the administrative burden of compliance at the branch and national levels.'
- ▶ 'I was very excited about the potential functionality of the portal that was presented yesterday and I have already identified a number of functions that I currently implement manually, that I won't need to perform in the future.'

The progression of this project is subject to approvals outside of the ROC's control, including financial approval, compliance with security requirements and compatibility with existing information technology systems.

The ROC's regulatory role: driving compliance through regulation

The ROC's compliance approach

Helping organisations develop a culture of good governance and voluntary compliance is the ROC's main priority. Providing organisations with education about compliance, supported by practical resources, is the key to our compliance approach. We provide education, assistance and advice to promote high levels of compliance and appropriate internal management systems by organisations.

In the event of non-compliance, the ROC exercises a proportionate response and a risk-based approach to selecting its investigations.

The majority of matters the ROC assesses, inquires into or investigates do not result in litigation. We will commence court proceedings if, after consideration of all the circumstances, it is warranted and in the public interest.

In contrast to some other regulators, the ROC's enabling legislation does not provide the option or power for the regulator to issue compliance notices, infringement notices, or to seek enforceable undertakings. Its primary enforcement tool, apart from engagement with registered organisations, is the commencement of legal proceedings in the Federal Court of Australia.

The cumulative result of the ROC's education, engagement and compliance strategies has been significantly increased compliance. Our ongoing focus is to achieve incremental increases in compliance figures.

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 8: Inquiries initiated and closed under chapter 11, part 4 of the RO Act in 2021–22

	Inquiries
No. open as at 30 June 2021	2
No. commenced during 2021–22	1
No. concluded during 2021–22	1
No. open as at 30 June 2022	2

Table 9 details the inquiries undertaken during the reporting period.

Table 9: Inquiries under chapter 11, part 4 of the RO Act between 1 July 2021 to 30 June 2022

Name	Type	Commencement date	Issue	Completion date or estimated completion date	Outcome
Master Builders' Association of Tasmania	s. 330	27 January 2021	Alleged non-compliance with record-keeping obligations in relation to membership	Concluded 23 August 2021	Concluded with no further action
Independent Education Union of Australia, WA Branch	s. 330	27 January 2021	Alleged contraventions of officer duties by former branch secretary	By 30 September 2022	Inquiry continuing
Real Estate Employers Federation	s. 330	3 March 2022	Alleged contraventions of officer duties (Inquiry commenced as a result of a protected whistleblower disclosure)	By 31 October 2022	Inquiry continuing

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 10 provides an overview of investigations that commenced or were continuing during 2021–22.

Table 10: Investigations initiated and closed under chapter 11, part 4 of the RO Act in 2021–22

Investigations	
No. open as at 30 June 2021	3
No. commenced during 2021–22	4
No. concluded during 2021–22	4
No. open as at 30 June 2022	3

As at 1 July 2021, the Commissioner was conducting 3 investigations into organisations regarding the alleged contravention of financial and/or civil penalty provisions. See Table 11 for details of investigations.

Table 11: Investigations under chapter 11, part 4 of the RO Act in 2021–22

Name	Type	Commencement date	Issue	Completion date or estimated completion date	Outcome (as at 30 June 2022)
The Australian Workers' Union, National Office and Victorian Branch	s. 331	20 October 2017, recommenced January 2021	Alleged unapproved donations	21 December 2021	Investigation completed
Motor Traders' Association of NSW	s. 331	5 November 2018	Compliance with financial reporting obligations and officers' duties	11 November 2021	Investigation completed
The Australian Workers' Union, all branches excluding Victoria	s. 331	17 February 2021	Alleged inaccurate membership reporting and record-keeping	Estimate: August 2022	Still under investigation
Restaurant and Catering Industrial	s. 331	13 July 2021	Alleged non-compliance with record-keeping obligations, requirement to retain records and to lodge records with ROC	22 February 2022	Investigation completed
The Master Plumbers' and Mechanical Contractors Association of NSW	s. 331	10 September 2021	Potential breaches of duties in relation to the financial management of organisations and the disclosure of material personal interests	25 March 2022	Investigation completed
Health Services Union Victoria No. 1 Branch	s. 331	2 February 2022	Potential breaches of financial reporting duties, officers' duties relating to financial expenditure and conduct of financial audits of the branch	Estimate: December 2022	Still under investigation
Australian Education Union, ACT Branch	s. 331	23 February 2022	Allegations of conflicts of interests by former senior officer	Estimate: October 2022	Still under investigation

Investigations: whistleblowers

The ROC administers a whistleblower scheme under s 337CA of the RO Act. We coordinate the regulatory approach under this scheme across Commonwealth agencies and law enforcement bodies receiving, allocating or investigating whistleblower disclosures under the RO Act and meet regularly with these agencies to ensure a consistent approach to the scheme.

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.

Over the life of the scheme there have been almost 300 whistleblower disclosures to the ROC and other agencies eligible to receive these disclosures.

Table 12: Protected disclosures under chapter 11, part 4A of the RO Act 2021–22

No. open at 30 June 2021	13
No. opened 1 July 2021–30 June 2022	41
No. closed 1 July 2021–30 June 2022 because ineligible disclosure	4
No. closed – ROC did not consent to allocation	0
No. allocated to authorised official external to the ROC	0
No. allocated to the RO Commissioner	37
No. closed with no investigation conducted	8
No. closed with investigation completed	32
No. closed with investigation discontinued	4
No. open as at 30 June 2022	6

Enforcing provisions of the RO Act

At the end of an inquiry or investigation, the Commissioner will make a decision on what, if any, enforcement action is considered appropriate. 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.

As at 30 June 2022, there was one legal proceeding pending in the Federal Court brought about by the ROC.

The allegations and orders sought are detailed in Table 13.

Table 13: Alleged contraventions and orders sought under s. 310(1)(a) of the RO Act (commenced in 2021–22 and still ongoing)

Name	Date	Alleged contraventions	Orders applied for	Date of completion	Outcome
Registered Organisations Commissioner v Stephen Smyth [QUD411/2021]	30 November 2021	Breach of officers' duties by President of the Queensland District Branch of the Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division incurring personal expenditure by using District Branch funds	Declarations and the imposition of civil penalties	-	Ongoing

Service standards

The ROC works to ensure that annual returns, financial reports, elections and auditor registrations are assessed in a timely manner. In 2021–22, the ROC achieved all of 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.

Table 14: Performance of financial reports function against timeliness target

Year	Number assessed	Number within KPI	Result
2021–22	326	326	100%
2020–21	361	361	100%
2019–20	363	363	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.

Table 15: Performance of annual returns function against timeliness target

Year	Number assessed	Number within KPI	Result
2021–22	97	97	100%
2020–21	102	102	100%
2019–20	102	99	97%

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, or the prescribed information was withdrawn.

Table 16: Performance of election function against timeliness target

Year	Number dealt with	Number within KPI	Result
2021–22	172	171	99%
2020–21	187	187	100%
2019–20	177	176	99%

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, or the application was withdrawn.

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

Year	Number dealt with	Number within KPI	Result
2021–22	34	33	97%
2020–21	38	38	100%
2019–20	19	19	100%



PART 4

Management and accountability

Workforce demographics

Workforce management

Governance

External Scrutiny

Financial management



Workforce demographics

At 30 June 2022, the Entity employed 894 ongoing, 85 non-ongoing and zero casual employees under the Public Service Act 1999.

In 2021–22, we had a total of 47 ongoing engagements, 90 non-ongoing engagements and 67 internal promotions.

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

Table 18: Employees by classification, at 30 June 2022 and 30 June 2021

Classification	2022	2021
APS1 ongoing	0	0
APS1 non-ongoing	0	0
APS1 total	0	0
APS2 ongoing	2	2
APS2 non-ongoing	0	0
APS2 total	2	2
APS3 ongoing	68	91
APS3 non-ongoing	56	46
APS3 total	124	137
APS4 ongoing	105	93
APS4 non-ongoing	10	8
APS4 total	115	101
APS5 ongoing	301	300
APS5 non-ongoing	13	12
APS5 total	314	312
APS6 ongoing	209	203
APS6 non-ongoing	4	4
APS6 total	213	207
EL1 ongoing	135	119
EL1 non-ongoing	2	4
EL1 total	137	123
EL2 ongoing	59	51
EL2 non-ongoing	0	0
EL2 total	59	51
SES Band 1 ongoing	11	10
SES Band 1 non-ongoing	0	0
SES Band 1 total	11	10
SES Band 2 ongoing	4	4
SES Band 2 non-ongoing	0	0
SES Band 2 total	4	4
Total	979	947

Table 19: Employees by employment status, at 30 June 2022 and 30 June 2021

Employment Status	2022	2021
Ongoing full-time	677	652
Non-ongoing full-time	81	71
Total full-time	758	723
Ongoing part-time	217	219
Non-ongoing part time	4	4
Total part-time	221	223

Table 20: Employees by gender, at 30 June 2022 and 30 June 2021

Gender	2022	2021
Female ongoing	590	550
Female non-ongoing	51	50
Total female	641	600
Male ongoing	302	321
Male non-ongoing	30	25
Total male	332	346
X (Indeterminate/Intersex/Unspecified) ongoing	2	0
X (Indeterminate/Intersex/Unspecified) non-ongoing	4	0
Total X (Indeterminate/Intersex/Unspecified)	6	0

Table 21: Employees by location, at 30 June 2022 and 30 June 2021

Location	2022	2021
Ongoing ACT	51	55
Non-ongoing ACT	1	3
Total ACT	52	58
Ongoing NSW	255	260
Non-ongoing NSW	30	16
Total NSW	285	276
Ongoing VIC	296	294
Non-ongoing VIC	23	32
Total VIC	319	326
Ongoing QLD	118	108
Non-ongoing QLD	8	12
Total QLD	126	120
Ongoing SA	82	75
Non-ongoing SA	13	4
Total SA	95	79
Ongoing WA	54	43
Non-ongoing WA	8	7
Total WA	62	50
Ongoing NT	4	4
Non-ongoing NT	0	0
Total NT	4	4
Ongoing TAS	34	32
Non-ongoing TAS	2	1
Total TAS	36	33

Table 22: Workplace diversity profile, at 30 June 2022 and 30 June 2021

Self-disclosure category	2022	2021
People with disability	26	34
People from culturally and linguistically diverse backgrounds – ongoing	256	258
People from culturally and linguistically diverse backgrounds – non-ongoing	27	19
People from culturally and linguistically diverse backgrounds – total	283	277
People from Aboriginal and Torres Strait Islander backgrounds – ongoing	8	7
People from Aboriginal and Torres Strait Islander backgrounds – non-ongoing	0	0
People from Aboriginal and Torres Strait Islander backgrounds – total	8	7

Table 23: Senior executive and executive level employees by classification and gender, at 30 June 2022 and 30 June 2021

Classification	2022 female	2021 female	2022 male	2021 male	2022 total	2021 total
EL1	91	81	46	41	137	122
EL2	36	31	23	20	59	51
SES Band 1	6	5	5	4	11	9
SES Band 2	2	1	2	3	4	4
Total	135	118	76	68	211	186

Workforce management

Capability development

During 2021–22, we maintained our commitment to enhancing workforce capability and supporting people to perform to their full potential, and have appointed a Capability Director to lead and deliver our capability initiatives. Our recently commenced Capability Uplift Project represents an opportunity to significantly improve outcomes for the FWO by identifying core capabilities, standards and career pathways for our Compliance and Enforcement staff, and delivering a range of activities to continue to build and uplift skills across our Compliance and Enforcement group.

Our 2021–22 capability development achievements included:

- implementation of a new Learning Management System (LMS)
- providing e-learning and face-to-face training in areas such as management essentials, mental health first aid and fraud awareness
- 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
- offering all employees access to an online learning platform containing self-paced courses that have enabled employees to upskill while working from home.

The FWO recognises that we must continue to invest in the specialist and technical capability of our workforce to make sure we are appropriately skilled and competent to deliver on our purpose. We are committed to investing in our people and recognise that retaining and attracting quality staff will enable continued success.

Employee engagement

The Entity has high engagement levels between staff, supervisors and the Agency, and continues to perform well in the Australian Public Service (APS) Employee Census.

In 2021–22, the FWO achieved an engagement score of 91% in the 2022 APS Employee Census, and results were overall very positive. Notably, 76% of respondents said they would recommend us as a good place to work (up 6% from the APS overall), 86% felt committed to the Agency's purpose and objectives, and 91% said they were prepared to go the 'extra mile' at work.

FWORCE employees also scored significantly higher than the broader APS for all questions regarding wellbeing, with 2022 health and wellbeing scores 5–10% higher than the APS and other medium-sized agencies. Ensuring staff health and wellbeing is important to us and we continue to focus on how we can better support our employees.

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. These are also 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 2021–22, our commitment to an inclusive and flexible workplace continued through:

- ▶ continued promotion of flexible work and embedding hybrid work
- ▶ participating in the Diversity Council Australia Inclusion@Work Index to benchmark our inclusive culture and be awarded accreditation as an Inclusive Employer 2021–2022
- ▶ continued sponsorship of employee networks including our Proud! Network; Gender Equality Network; Aboriginal and Torres Strait Islander people Network; and Disability Network
- ▶ continued implementation of our Reconciliation Action Plan (RAP), launched in December 2020
- ▶ continued promotion of our Gender Equality Action Plan 2018–21
- ▶ sustained gender equality at executive levels, with 59% of EL2–SES level positions held by female staff as at 30 June 2022
- ▶ promotion of our Gender Affirmation Guide to provide information about gender identity and affirmation in the workplace, including practical ways to support an inclusive and respectful workplace
- ▶ successful re-accreditation by the Australian Breastfeeding Association as a Best Practice Breastfeeding Friendly Workplace
- ▶ 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 learning and development opportunities, internal videos, and intranet articles.

Disability reporting

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies and programs, and supports the principles of the United Nations Convention on the Rights of Persons with Disabilities. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcomes are available at the Disability Gateway website¹.

Disability reporting is also included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin².

In support of the Strategy, the FWO has sought to create an accessible and inclusive workplace for new and existing employees through various initiatives.

Our recruitment processes seek to expand entry pathways and remove barriers in recruitment methods by communicating the availability of adjustments and flexible work practices. The disability affirmative measure lets agencies identify a vacancy as open only to people with disability. RecruitAbility is a scheme that aims to attract and develop applicants with disability participating in open selection processes. The FWO is developing guidance to support hiring managers in using affirmative measures and RecruitAbility in their recruitment and selection activities.

We continue to work with our employees to build a culture of inclusion and were named as an inclusive employer 2021–22. This achievement recognises that we are active and committed to inclusion, and are above the Australian workforce average in the Diversity Council Australia's Inclusion@Work Index.

¹ Disability Gateway website, accessed September 2022, www.disabilitygateway.gov.au/ads

² Australian Public Service Commission website, accessed September 2022, www.apsc.gov.au

Remuneration and employment conditions

The FWO Enterprise Agreement 2019–2022 (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 classifications, at 30 June 2022 and 30 June 2021

Classifications	2022 enterprise agreement	2021 enterprise agreement	2022 common law contract	2021 common law contract	2022 individual flexibility agreement	2021 individual flexibility agreement	2022 total	2021 total
APS1	0	0	0	0	0	0	0	0
APS2	2	2	0	0	0	0	2	2
APS3	124	137	0	0	0	0	124	137
APS4	115	101	0	0	0	0	115	101
APS5	314	312	0	0	0	0	314	312
APS6	212	206	0	0	1	1	213	207
EL1	136	123	0	0	1	0	137	123
EL2	49	43	0	0	10	8	59	51
SES Band 1	0	0	11	10	0	0	11	10
SES Band 2	0	0	4	4	0	0	4	4
Total	952	924	15	14	12	9	979	947

Our remuneration policy operates in accordance with parameters that apply across the APS. No performance bonuses were paid to FWO staff in 2021–22.

Table 25: Salary ranges by classification, at 30 June 2022

Classification	Salary ranges
APS1	N/A
APS2	\$65,553
APS3	\$67,345 to \$72,589
APS4	\$74,932 to \$81,277
APS5	\$83,483 to \$88,449
APS6	\$90,379 to \$103,898
EL1	\$114,931 to \$135,614
EL2	\$132,448 to \$187,272
SES Band 1	\$205,000 to \$253,346
SES Band 2	\$269,942 to \$287,301

The Agency also provides a number of non-salary staff benefits to some staff, which might include:

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

Executive remuneration reporting

During the reporting period ended 30 June 2022, the Entity had 7 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
Rachel Volzke	Chief Counsel	8 July 2021 to 30 June 2022
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
Jeremy O'Sullivan	Chief Counsel	1 July 2021 to 5 July 2021

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 2022, the Entity disclosed the following KMP remuneration expenses.

Table 27: KMP remuneration expenses

	2022 \$'000
Short-term employee benefits	2,050
Post-employment benefits	308
Other long-term employee benefits	55
Total key management personnel remuneration expenses	2,413

In accordance with the Performance and Accountability Act 2013 (PGPA Act) rule, this information is further disaggregated as shown in Table 28.

During the reporting period ending on 30 June 2022, the Entity had 11 other senior executives who did not meet the definition of a KMP.

The remuneration of these senior executives is disclosed in remuneration bands in Table 29. 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 28: Disaggregated KMP remuneration expenses

Name	Position	Short-term benefits		Post-employment benefits	Other long-term benefits	Total remuneration
		Base salary	Other benefits and allowances	Superannuation contributions	Long service leave	
Sandra Parker	Fair Work Ombudsman	\$393,800	\$0	\$69,575	\$10,396	\$473,771
Mark Bielecki	Registered Organisations Commissioner	\$370,313	\$0	\$36,456	\$9,361	\$416,130
Rachel Volzke	Chief Counsel	\$302,123*	\$31,519	\$43,044	\$7,061	\$383,747
Michael Campbell	Chief Operating Officer	\$285,820	\$30,019	\$54,029	\$10,106	\$379,974
Mark Scully	Deputy FWO, Compliance and Enforcement	\$282,051	\$33,141	\$54,271	\$9,194	\$378,657
Kristen Hannah	Deputy FWO, Policy and Communications	\$285,966	\$33,141	\$50,284	\$8,687	\$378,078
Jeremy O'Sullivan	Chief Counsel	\$2,175	\$351	\$0	\$0	\$2,526
Total		\$1,922,248	\$128,171	\$307,659	\$54,805	\$2,412,883

*This base salary amount takes account of accrued (but untaken) annual leave entitlements on commencement with the FWO.

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

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefit and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	
\$220,001–\$245,000	1	\$163,176	0	\$31,140	\$29,451	\$4,290	0	0	\$228,057
\$270,001–\$295,000	5	\$208,018	0	\$30,111	\$38,285	\$7,367	0	0	\$283,781
\$295,001–\$320,000	2	\$224,471	0	\$29,579	\$42,617	\$7,717	0	0	\$304,384
\$320,001–\$345,000	4	\$242,497	0	\$30,419	\$43,277	\$14,585	0	0	\$330,778

Work health and safety

The FWO continues to focus on supporting and developing employee psychological and physical wellbeing, emphasising prevention, early intervention, and rehabilitation and injury management.

Key 2021–22 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 WHS Executive Update to assist managers to meet their WHS obligations
- ▶ provision of workplace sexual harassment workshops for managers
- ▶ recognition of RUOK? Day and Suicide Prevention Day 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:

- ▶ facilitating employees working from home in line with public health advice
- ▶ undertaking and regularly reviewing an assessment of work health and safety risks in accordance with Safe Work Australia advice to ensure our workplaces are COVID-safe
- ▶ supporting staff returning to the office through targeted webinars and access to a psychologist during the week of the return
- ▶ 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 confirmed cases of COVID-19
- ▶ employee wellbeing initiatives including webinars and the ongoing trial of Beyond Blue's NewAccess Workplaces mental health coaching service
- ▶ supporting employees to receive COVID-19 vaccinations.

During 2021–22, there were no new employee 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 (WHS Act), 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 2021–22.

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

Property and environment management

In 2021–22, 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 in their office
- fitting our offices with sensor lighting to switch lighting off when rooms are not occupied
- participating in Earth Hour 2022, which involved turning off all non-essential lighting in our tenancies on 26 March 2022
- 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 is the key advisory body for the FWO in the discharge of the Entity's duties, responsibilities and accountabilities under the PGPA Act 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.

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

- ▶ The **Accountability Sub-Committee** has oversight of – and makes recommendations for approval of – strategic decisions with respect to corporate matters and financial performance, compliance with the PGPA Act and framework and government policies.
- ▶ The **Business Investment Sub-Committee** has oversight of and makes recommendations for approval of information and communications technology-related matters and projects.
- ▶ The **Critical Technology Projects Board** monitors critical technology projects and ensures the agreed business outcomes are delivered, reporting to the Corporate Board and escalating matters directly to the Accountable Authority when required.

Enforcement Board

Enforcement Board is the key advisory body for the FWO ensuring a risk-based and proportionate response with respect to the relevant statutory powers and functions under the Fair Work Act 2009.

Enforcement Board determines the FWO's strategic priorities, the publicly available Compliance and Enforcement Policy and establishes and monitors the Agency's annual compliance and enforcement programme of work. It also ensures that research, education, and other activities align with these.

Enforcement Board is chaired by the Fair Work Ombudsman and membership comprises the Fair Work Ombudsman and Deputy Fair Work Ombudsman from the Compliance and Enforcement, and Policy and Communication groups.

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 advice to the Fair Work Ombudsman as the accountable authority on the FWO and ROC's financial and performance reporting, risk management framework, internal control systems and policy compliance.

The Audit and Risk Committee's Charter sets out the role of the Committee and can be found on our website³.

In 2021–22, the Audit and Risk Committee comprised 4 independent members, 3 independent of government and one senior government official. During the financial year the committee met 4 times.

Details of the Audit and Risk Committee's membership in 2021–22 including remuneration for the period, meeting attendance, and experience and qualifications of members are provided in Table 30.

³ Audit and Risk Committee Charter, accessed September 2022, www.fairwork.gov.au/sites/default/files/2021-11/fworoc-audit-and-risk-committee-charter-october-2021.docx

Table 30: Membership details of the Audit and Risk Committee

Member's name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration for 2021-22
Jeff Lamond PSM Independent Member and Chair	<p>Formal economics and accounting qualifications, graduate qualification in legal studies.</p> <p>Substantial experience (7 years) as CEO of small company.</p> <p>34 years public service employment (13 years at SES including Band 1 and Band 2, and 6.5 as a statutory office holder – APS Merit Protection Commissioner).</p> <p>Managed own consultancy since 2008 covering employment, values and ethics and personnel policy.</p> <p>For 10 years served as Internal Ombudsman in 2 agencies addressing personnel, entitlements, and management issues.</p> <p>Substantial committee experience, having chaired or sat as independent member on 7 Audit and Risk Committees for a range of Australian Government agencies.</p>	4/4	\$11,343.75
Jennifer Taylor PSM Independent Member	<p>Formal management qualifications.</p> <p>Substantial experience as CEO of the Statutory Agency Comcare and various Deputy Secretary positions with Australian Government Departments.</p> <p>Experience in public sector operating environment including sound understanding of all legislative, regulatory and policy requirements and financial statements review.</p> <p>Extensive committee experience as chair or member. Current Chair, Ethics Committee, Australian Institute of Health and Welfare (AIHW).</p> <p>Graduate Australian Institute of Company Directors.</p>	4/4	\$7,500.00
Maria Storti	<p>A former EY partner with extensive experience in audit, systems of control, risk management and performance measurement and improvement.</p> <p>Held senior executive roles across the public, private and tertiary education sectors, and is Fellow of the Chartered Accountants ANZ, a Fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Internal Auditors and has a Master of Business Administration and a degree in economics.</p> <p>Extensive experience as chair and member of boards and audit committees across a range of government and not-for-profit entities.</p>	4/4	\$9,075.00
Glen Casson Chief Financial Officer, Department of Veterans' Affairs	<p>Formal engineering qualifications.</p> <p>Extensive experience as a CFO within the Australian Government and over 22 years in the Australian Public Service across a range of IT, audit and finance roles.</p>	3/4	N/A

Health and Safety Committee

The Health and Safety Committee advises the FWO and its Corporate Board on work health and safety (WHS), and reviews and provides recommendations for WHS matters, including the implementation of relevant legislation and policy, preventative initiatives and reporting on WHS incidents.

Business planning

Business plans provide a link between the FWO's purpose, our Corporate Plan and individual performance. The Corporate Plan is the key planning document for the FWO and outlines the Agency's purpose, functions, priorities, key activities and performance measures. These form the basis for the development of annual business plans that flow through to individual performance.

Business plans are updated annually to reflect changes in our priorities and/or operating environment, and performance against these plans is monitored by the Corporate Board and senior management. The Corporate Plan is submitted to the Department of Finance and Portfolio Minister annually and is made available to external stakeholders via our website.

Business continuity

Our Business Continuity Management (BCM) Framework provides a systematic and responsive approach to disruptive events, positioning the Entity to recover quickly and ensure continuity of services and delivery of functions.

The BCM Framework defines the roles and responsibilities of personnel in the event of an incident and provides standards and procedures to ensure effective operations can continue. The BCM Framework is supported by the BCM Policy, Business Continuity Plans, a Business Continuity Response Team and a Crisis Action Team.

Risk and countering fraud

A risk management framework facilitates the identification, management and monitoring of risks across operational and corporate areas and informs the internal audit plan. The Corporate Board oversees the strategic risk register, with owners assigned to risks, and controls and treatments identified.

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

Fraud controls and investigations

Our fraud control plan and risk assessment enables us to manage and monitor identified fraud risks through prevention, detection, reporting and response initiatives. All reasonable measures were taken to minimise fraud risk and to take action regarding possible fraud against the FWO and the ROC.

External Scrutiny

We value feedback from our 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 feedback form. Our Feedback and Complaints Management Policy outlines how our customers can:

- ▶ provide feedback about our services
- ▶ lodge a service complaint about their experience
- ▶ request a review of their matter.

Overall, in the 2021–22 financial year the FWO received a total of 641 instances of feedback, service complaints and requests for review. This included 61 instances from customers highlighting their positive experience with the FWO.

In terms of our interactions with the community, feedback and complaints form a relatively small proportion of our total interactions; however, they provide valuable insights that support business improvements and an opportunity to further enhance our service offerings.

Table 31: FWO constructive feedback, service complaints and requests for review received and finalised

Financial year	2021–22	2020–21
Received	580	465
Finalised	573	459

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 received one request for an internal review regarding the outcome of a protected disclosure investigation during the reporting period. The matter is currently being internally reviewed by the ROC.

Reports to the Commonwealth Ombudsman

In 2021–22, the FWO was not subject to any formal Commonwealth Ombudsman investigations.

The Commonwealth Ombudsman, under section 712F(6) of the Fair Work Act, presents a quarterly report to the Parliament about FWO Notice examinations conducted by the FWO.

These reports are accessible at: Inspection Reports – Commonwealth Ombudsman, available at www.ombudsman.gov.au/publications/reports/inspection/_nocache

Table 32: Commonwealth Ombudsman investigations and findings

	2021–22	2020–21
Commonwealth Ombudsman investigations	0	2
Adverse findings	0	0

In 2021–22, 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)

FOI requests to FWO

The FWO received 65 requests for information under the Freedom of Information Act 1982 (FOI Act) in 2021–22. This compared with 75 requests received in 2020–21. The FWO's disclosure log is available on our website at 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 2 requests for information under the FOI Act in 2021–22, with one request subsequently withdrawn. This is less than the 9 requests for information received under the FOI Act in 2020–21. 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. 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 and the ROC's plan can be found on 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 (PIA) for new projects and processes in 2021–22.

- ▶ The FWO reported 2 eligible data breaches to the Office of the Australian Information Commissioner (OAIC), under the Notifiable Data Breach Scheme in the 2021–22 financial year.
- ▶ The ROC reported no privacy or data breaches to the OAIC during the financial year.
- ▶ The FWO Privacy Policy has been reviewed as administrative, legislative or program change has occurred (for example, new collection by the FWO of COVID-19 vaccination status information as the result of public health orders.) PIA processes and templates have been reviewed and published on our Privacy page.
- ▶ Register of Privacy Statements has been created and refreshed for currency
- ▶ Privacy clauses incorporated in FWO Procurement Guide and training module developed
- ▶ Privacy risks have been incorporated in annual information risk reporting to Accountability Sub-Committee
- ▶ A new Privacy Management Plan drafted for 2022–2024 with targeted and measurable actions.

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 2021–22.

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 2021–22 are outlined in Part 5 – Financial Statements. The operating loss for 2021–22 was \$6.586 million and includes a depreciation expense of \$15.089 million, which is not funded by government appropriations.

We maintained sufficient cash throughout 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 2021–22, we reported no significant non-compliance with finance law.

Purchaser-provider arrangements

During 2021–22, 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 (SDO) within the Department of Finance. We also transitioned our accounts payable function to the SDO on 24 January 2022.

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).

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 (www.treasury.gov.au).

Procurement to support Indigenous enterprises

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

A total of 9 contracts were awarded to indigenous suppliers during the year, totalling \$900,665 (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 2021–22, 5 new reportable consultancy contracts were entered into, incurring actual expenditure of \$53,129 (including GST). In addition, 8 ongoing consultancy contracts were active during the period, incurring actual expenditure of \$1,020,050.

Table 33: Consultancy contract expenditure

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	5	53
Ongoing contracts entered into during the previous reporting period	8	1,020
Total	13	1,073

Table 34: Consultancy contract expenditure by organisation

Name of Organisation	ABN	Expenditure \$'000 (GST inc.)
Oxide Interactive Pty Ltd	20 138 035 195	749
Gartner Australasia Pty Ltd	69 003 708 601	169
Sue Bird Consulting & People Services Pty Ltd	20 639 870 750	36
Maddocks	63 478 951 337	36
Michael Manthorpe	41 652 550 546	35
Total		1,025

Reportable non-consultancy contracts

During 2021–22, 306 new reportable non-consultancy contracts were entered into, incurring total expenditure of \$30,067,092 (including GST).

In addition, 162 ongoing non-consultancy contracts were active during the period, incurring a total expenditure of \$41,907,222.

Table 35: Non-consultancy contract expenditure

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	306	30,067
Ongoing contracts entered into during the previous reporting period	162	41,907
Total	468	71,974

Table 36: Non-consultancy contract expenditure by organisation

Name of organisation	ABN	Expenditure \$'000 (GST inc.)
Department of Education, Skills and Employment	12 862 898 150	10,355
The ITSM Hub Pty Ltd	89 165 912 087	9,634
Department of Finance	61 970 632 495	2,113
Telstra	33 051 775 556	1,928
Modis Staffing Pty Ltd	14 007 145 637	1,481
Total		25,511

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 (www.tenders.gov.au).

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 2021–22, the Entity continued to administer the Community Engagement Grants Program (CEGP). Grants under that program run for 4 years to 31 December 2024 and are provided to not-for-profit organisations that assist vulnerable workplace participants.

Information on grants awarded under the CEGP is available on the Fair Work Ombudsman website (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 pandemic.

Advertising

Payments made to advertising organisations in 2021–22 totalled \$419,084. 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 2021–22.

During the 2021–22 financial year, the Entity conducted the following advertising campaigns:

- ▶ Pay and Conditions Tool (PACT)
- ▶ online learning franchise courses
- ▶ sham contracting videos
- ▶ Aboriginal and Torres Strait Islander Peoples resources
- ▶ new website
- ▶ in-language resources
- ▶ small business awareness
- ▶ Casual Employment Information Statement in-language
- ▶ horticulture piece rates
- ▶ contract cleaning
- ▶ horticulture in-language
- ▶ fast food, restaurants and cafes
- ▶ annual wage review
- ▶ Always On.

Further information on those advertising campaigns is available on the Fair Work Ombudsman website (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 website (www.finance.gov.au).



PART 5

Financial statements

Agency Resource Statement
Independent auditor's report
Statement by the Accountable
Authority and Chief Finance Officer
Primary financial statements
and notes

Agency Resource Statement 2021–22

	Actual Available Appropriation for 2021–22 \$'000 (a)	Payments Made 2021–22 \$'000 (b)	Balance Remaining 2021–22 \$'000 (a-b)
Ordinary annual services¹			
Departmental appropriation ²	247,802	182,176	65,626
Total Ordinary Annual Services	247,802	182,176	65,626
Other Services			
Special Appropriation			
Administered outputs	500	445	55
Total Special Appropriation	500	445	55
Total Available Annual Appropriations	248,302	182,621	65,681
Funds Held by CRF			
Opening balance	4,858	-	4,858
Non-appropriation receipts	1,679	-	1,679
Payments	-	445	(445)
Total Funds Held by CRF	6,537	445	6,092
Special Account			
Opening balance	1,137	-	1,137
Non-appropriation receipts	7,230	-	7,230
Payments	-	6,175	(6,175)
Total Special Account	8,367	6,175	2,192
Total Net Resourcing for Fair Work Ombudsman and Registered Organisations Commission Entity	263,206	189,241	73,965

¹ Appropriation Act (No. 1) 2021–22. This may also include prior-year departmental appropriation and section 74 retained revenue receipts.

² Includes an amount of \$6.711m in 2021–22 for the departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

Expense and Resources for Outcome 1

	Budget 2021-22 \$'000 (a)	Actual Expenses 2021-22 \$'000 (b)	Variation \$'000 (a-b)
Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.			
Program 1: Education Services and Compliance Activities			
Departmental Expenses			
Departmental appropriation	155,638	151,060	4,578
S74 Retained revenue receipts	1,300	1,279	21
Expenses not requiring appropriation in the budget year	16,480	14,868	1,612
Total for Program 1	173,418	167,207	6,211
Total Expenses for Outcome 1	173,418	167,207	6,211
			2021-22
Average staffing level (number)		845	

Expenses and Resources for Outcome 2

	Budget 2021-22 \$'000 (a)	Actual Expenses 2021-22 \$'000 (b)	Variation \$'000 (a-b)
Outcome 2: Effective governance and financial transparency of registered employee and employer organisations, through regulation, investigation, and appropriate enforcement activities.			
Program 1: Registered Organisations Commission			
Departmental Expenses			
Departmental appropriation	7,230	6,175	1,055
Expenses not requiring appropriation in the budget year	299	221	78
Total for Program 1	7,529	6,396	1,133
Total Expenses for Outcome 2	7,529	6,396	1,133
			2021-22
Average staffing level (number)		28	



INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace 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 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2022 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 2022 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 an Overview and 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 – Simplified Disclosures 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.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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 2022

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2022 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 2022



Russell Thackeray
Chief Financial Officer

14 September 2022

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Statement of Comprehensive Income

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	101,732	94,760	103,342
Suppliers	1.1B	53,741	35,252	52,544
Grants		2,761	2,790	2,893
Depreciation and amortisation	3.2	15,089	15,421	16,679
Finance costs		280	381	548
Losses from asset sales		-	72	-
Total expenses		173,603	148,676	176,006
Own-Source Income				
Own-source revenue				
Rental income		463	489	450
Other income	1.2A	816	953	950
Total own-source revenue		1,279	1,442	1,400
Total own-source income		1,279	1,442	1,400
Net cost of services		(172,324)	(147,234)	(174,606)
Revenue from Government	1.2B	165,738	146,993	166,725
Deficit on continuing operations		(6,586)	(241)	(7,881)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		-	(228)	-
Total other comprehensive income		-	(228)	-
Total comprehensive loss attributable to the Australian Government		(6,586)	(469)	(7,881)

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

Original budget reflects the figures presented in the 2021–22 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.

Finance costs

Variations to, and the reclassification of, contracts recognised under AASB16 during the year resulted in lower finance costs.

Other income and Total own-source revenue

The budget assumed the continuation of financial services being provided to the Tertiary Education Quality Standards Agency and the Memorandum of Understanding was terminated at 1 July 2021.

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	450	748	708
Trade and other receivables	3.1B	69,299	82,682	65,534
Total financial assets		69,749	83,430	66,242
Non-financial assets				
Right-of-use assets	3.2	26,130	34,691	28,454
Land and buildings (leasehold improvements)	3.2	10,208	12,079	11,818
Property, plant and equipment	3.2	1,884	2,577	1,703
Intangibles	3.2	24,306	11,219	12,846
Prepayments		1,840	1,214	1,050
Total non-financial assets		64,368	61,780	55,871
Total assets		134,117	145,210	122,113
LIABILITIES				
Payables				
Suppliers	3.3A	8,006	7,281	3,195
Other payables	3.3B	2,372	1,839	1,389
Total payables		10,378	9,120	4,584
Interest bearing liabilities				
Leases	3.4	28,472	36,888	29,521
Total interest bearing liabilities		28,472	36,888	29,521
Provisions				
Employee provisions	6.1	29,151	29,747	27,438
Total provisions		29,151	29,747	27,438
Total liabilities		68,001	75,755	61,543
Net assets		66,116	69,455	60,570
EQUITY				
Contributed equity		129,549	126,302	133,232
Reserves		5,753	5,753	5,981
Retained earnings (accumulated deficit)		(69,186)	(62,600)	(78,643)
Total equity		66,116	69,455	60,570

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

Original Budget reflects the figures presented in the 2021–22 PBS.

Budget variance commentary

Statement of Financial Position for FWORCE

Trade and other receivables

Lower than expected drawdowns late in the 2020-21 financial year, due to delays in capital projects and savings against new measures funded during the year, resulted in a higher closing balance at 30 June 2021 than was anticipated at the time of setting the budget. While drawdowns were higher than expected for the 2021-22 financial year, they were not sufficient to achieve the budgeted closing balance.

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

The provision made for potential fit outs due to relocations at the end of leases was not required. Additional laptops were purchased due to increased staffing levels from new measures and replacement mobiles phones were required to ensure compliance with the agency's new security levels. Higher costs of contractors increased the value of projects to build software systems to ensure the stability of platforms and address cyber-security issues resulted in a higher intangibles balance, combined with delays in the completion of some projects leading to a reduced level of depreciation on the resulting assets.

Prepayments

Higher amounts of prepayments at 30 June 2022 from the procurement of additional software licences.

Suppliers

Invoices for technology services under a Memorandum of Understanding with Department of Education, Skill and Employment and the Service Delivery Office were received later than anticipated and combined with additional external legal and contractor expenses that were incurred in June to result in suppliers having a higher than budgeted balance at 30 June 2022.

Other payables

The higher than forecast salaries and wages accrual reflects the higher than planned staff numbers at 30 June 2022 and the budget not correctly reflecting the number of days to be accrued at year end.

Leases

Variations to, and the reclassification of, contracts recognised under AASB16 during the year resulted in a lower closing balance.

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 2020-21 financial year resulted in a lower than budget opening retained earnings figure, that was not quantifiable at the time of setting the budget.

Statement of Changes in Equity

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY				
Opening Balance				
Balance carried forward from previous period		126,302	117,551	126,302
Opening balance		126,302	117,551	126,302
Comprehensive Income				
Distribution to owners				
Lapsing appropriation		(3,464)	-	-
Contributions by owners				
Departmental capital budget	5.1A	6,711	8,751	6,930
Total transactions with owners		3,247	8,751	6,930
Closing balance as at 30 June		129,549	126,302	133,232
ASSET REVALUATION RESERVE				
Opening Balance				
Balance carried forward from previous period		5,753	5,981	5,981
Opening balance		5,753	5,981	5,981
Comprehensive Income				
Revaluation	3.2	-	(228)	-
Total comprehensive income		-	(228)	-
Closing balance as at 30 June		5,753	5,753	5,981
RETAINED EARNINGS				
Opening Balance				
Balance carried forward from previous period		(62,600)	(62,359)	(70,762)
Opening balance		(62,600)	(62,359)	(70,762)
Comprehensive Income				
Deficit for the period		(6,586)	(241)	(7,881)
Total comprehensive income		(6,586)	(241)	(7,881)
Closing balance as at 30 June		(69,186)	(62,600)	(78,643)

Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
TOTAL EQUITY			
Opening Balance			
Balance carried forward from previous period	69,455	61,173	61,521
Opening balance	69,455	61,173	61,521
Comprehensive Income			
Surplus/(Deficit) for the period	(6,586)	(241)	(7,881)
Revaluation	-	(228)	-
Total comprehensive income	(6,586)	(469)	(7,881)
Transactions with owners			
Distribution to owners			
Lapsing appropriation	(3,464)	-	-
Contributions by owners			
Departmental capital budget	6,711	8,751	6,930
Total transactions with owners	3,247	8,751	6,930
Closing balance as at 30 June	66,116	69,455	60,570

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

Original Budget reflects the figures presented in the 2021–22 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 FWOROC

Comprehensive income

Capital and operating funding for the National Labour Hire Registration Scheme moved forward to 2022–23 as enabling legislation has not been passed.

The 2019–20 funding for the National Labour Hire Registration Scheme of \$3.464 million, which was previously quarantined, was automatically repealed on 1 July 2022.

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 the decreased cost of leave entitlements from the impact of higher bond rates applied to the discounting calculation. These were partially offset by higher than budget expenditure on contractors, software licensing and support costs, and external legal fees.

Cash Flow Statement

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		170,315	131,654	166,725
Sales of goods and rendering of services		597	1,392	580
Net goods and services tax (GST) received		5,799	3,213	5,045
Other		907	1,203	850
Total cash received		177,618	137,462	173,200
Cash used				
Employees		101,798	91,980	103,342
Suppliers		59,793	33,565	57,489
Net GST Paid		3	3	130
Interest payments on lease liabilities		280	381	548
Section 74 receipts transferred to Official Public Account (OPA)		3,588	3,671	2,893
Total cash used		165,462	129,600	164,402
Net cash from operating activities		12,156	7,862	8,798
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets		17,281	5,584	6,930
Total cash used		17,281	5,584	6,930
Net cash used by investing activities		(17,281)	(5,584)	(6,930)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		13,013	5,584	6,930
Total cash received		13,013	5,584	6,930
Cash used				
Principal payments of lease liabilities		8,186	7,822	8,798
Total cash used		8,186	7,822	8,798
Net cash from/(used by) financing activities		4,827	(2,238)	(1,868)
Net increase/(decrease) in cash held		(298)	40	-
Cash and cash equivalents at the beginning of the reporting period		748	708	708
Cash and cash equivalents at the end of the reporting period	3.1A	450	748	708

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

Original Budget reflects the figures presented in the 2021–22 PBS.

Budget variance commentary

Cash Flow Statement for FWOROCE

Operating activities

Appropriations

The higher draw on unspent appropriations for use on capital expenditure was not anticipated at the time of setting the budget.

Net goods and services tax received and Suppliers

The variance relates to higher than forecast use of contractors and greater amounts spent on software licensing.

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

Variations to, and the reclassification of, contracts recognised under AASB16 during the year resulted in lower finance costs.

Section 74 receipts transferred to Official Public Account (OPA)

A cash lease incentive of \$700,000 was received following completion of fit out works. The timing of the receipt was unknown at the time of setting the budget.

Investing activities

Purchase of non-financial assets

Higher costs of contractors increased the value of projects to build software systems to ensure the stability of platforms and address cyber-security issues resulting in a higher than budgeted expenditure on intangible assets.

Financing activities

Contributed equity

All Departmental Capital Budget appropriations for 2021–22 were drawn down during the year, as well as the balance available at 30 June 2021 in order to fund the higher than estimated cost of capital projects.

Principal payments of lease liabilities

Variations to, and the reclassification of, contracts recognised under AASB16 during the year resulted in lower lease payments recognised as principal payments.

Administered Schedule of Comprehensive Income

for the period ended 30 June 2022

		2022 \$'000	2021 \$'000	Original Budget \$'000
Notes				
NET COST OF SERVICES				
Expenses				
Write-down and impairment of assets	2.1	238	1,599	-
Total expenses		238	1,599	-
Income				
Non-taxation revenue				
Sale of goods and rendering of services		-	-	2,357
Fees and fines	2.2A	4,033	5,292	2,600
Total income		4,033	5,292	4,957
Net contribution by services		3,795	3,693	4,957
Surplus		3,795	3,693	4,957
OTHER COMPREHENSIVE INCOME				
Total Other Comprehensive Income		-	-	-
Total Comprehensive Income		3,795	3,693	4,957

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

Original Budget reflects the figures presented in the 2021–22 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 the 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 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Trade and other receivables	4.1A	5,212	4,083	4,659
Other financial assets	4.1B	813	355	1,181
Total financial assets		6,025	4,438	5,840
Total assets administered on behalf of Government		6,025	4,438	5,840
LIABILITIES				
Payables				
Other payables		-	-	-
Total payables		-	-	-
Total liabilities administered on behalf of Government		-	-	-
Net assets		6,025	4,438	5,840

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

Original Budget reflects the figures presented in the 2021–22 PBS.

Budget variance commentary

Administered Schedule of Assets and Liabilities for FWORCE

Trade and other receivables

The higher than budget amount of trade and other receivables reflects the higher than expected level of court penalties handed down 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 than anticipated penalties have been handed down since the end of the financial year.

Administered Reconciliation Schedule

as at 30 June 2022

	2022 \$'000	2021 \$'000
Opening assets less liabilities as at 1 July	4,438	6,872
Net (cost of)/contribution by services		
Income	4,033	5,292
Expenses	(238)	(1,599)
Transfers to/from Australian Government:		
Transfers to OPA	(2,208)	(6,122)
Transfers to OPA by other agencies	-	(5)
Closing assets less liabilities as at 30 June	6,025	4,438

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 2022

	Notes	2022 \$'000	2021 \$'000
OPERATING ACTIVITIES			
Cash received			
Fees and fines		2,208	6,122
Total cash received		2,208	6,122
Net cash from operating activities			
		2,208	6,122
Net increase in cash held			
		2,208	6,122
Cash and cash equivalents at the beginning of the reporting period			
		-	-
Cash to the OPA			
Administered accounts		(2,208)	(6,122)
Cash and cash equivalents at the end of the reporting period			
		-	-

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

Notes to and Forming Part of the Financial Statements

for the period ending 30 June 2022

Overview

The Fair Work Ombudsman and Registered Organisations Commission Entity is a non-corporate Commonwealth entity for the purposes of the Public Governance, Performance, and Accountability Act 2013 (PGPA Act).

The Basis of Preparation

The financial statements are required by section 42 of the Public Governance, Performance, and Accountability Act 2013.

The financial statements have been prepared in accordance with

- ▶ Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and
- ▶ Australian Accounting Standards and Interpretations including simplified disclosures for Tier 2 Entities under AASB 1060 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.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	<p>AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework.</p> <p>The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.</p>

Taxation

The agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (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.

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 2022

1.1 Expenses

	2022 \$'000	2021 \$'000
1.1A: Employee Benefits		
Wages and salaries	74,072	68,269
Superannuation:		
Defined contribution plans	10,301	9,244
Defined benefit plans	4,115	3,923
Leave and other entitlements	10,976	11,726
Separation and redundancies	1,782	1,017
Other employee expenses	486	581
Total employee benefits	101,732	94,760

Accounting policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

	2022 \$'000	2021 \$'000
1.1B: Suppliers		
Goods and services supplied or rendered		
Contractors	10,531	5,969
IT Services	9,513	9,080
Legal fees	15,890	7,039
Property outgoing	2,812	2,702
Travel	648	376
Training	1,562	1,164
Telecommunications	1,612	1,605
Software licensing, support and maintenance	2,954	1,359
Consultants	1,250	330
Education campaigns	1,382	1,179
Other	4,190	3,515
Total goods and services supplied or rendered	52,344	34,318
Goods supplied	4,880	2,008
Services rendered	47,464	32,310
Total goods and services supplied or rendered	52,344	34,318
Other suppliers		
Workers compensation expenses	659	283
Operating lease rentals	738	651
Total other suppliers	1,397	934
Total suppliers	53,741	35,252

The FWOROCE has short-term property lease commitments of \$530,551 and short-term motor vehicle lease commitments of \$41,278 as at 30 June 2022.

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

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 agency 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

	2022 \$'000	2021 \$'000
1.2A: Other Income		
Resources received free of charge – audit fees	75	75
Other income	741	878
Total other income	816	953

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.

	2022 \$'000	2021 \$'000
1.2B: Revenue from Government		
Appropriations		
Departmental appropriations	165,738	146,993
Total revenue from Government	165,738	146,993

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.

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

	2022 \$'000	2021 \$'000
Write-Down and Impairment of Assets		
Impairment of Other receivables – Court-awarded penalties	238	1,599
Total write-down and impairment of assets	238	1,599

Accounting policy

Litigations undertaken by the agency may result in penalties being handed down by the courts against employers and directors of the employing agency. 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

Revenue

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.

	2022 \$'000	2021 \$'000
2.2A: Fees and Fines		
Court-awarded penalties	2,562	2,718
Infringement notices	495	541
Other fees from regulatory services	976	2,033
Total fees and fines	4,033	5,292

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.

3.1 Financial Assets

	2022 \$'000	2021 \$'000
3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	336	640
Cash held by contracted agents	114	108
Total cash and cash equivalents	450	748

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 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

	2022 \$'000	2021 \$'000
3.1B: Trade and Other Receivables		
Goods and services receivable		
Goods and services	1,082	437
Total goods and services receivables	1,082	437
Appropriations receivables		
Appropriation receivable	67,368	81,711
Total appropriations receivables	67,368	81,711
Other receivables		
GST receivable from the ATO	645	324
Other	204	210
Total other receivables	849	534
Total trade and other receivables	69,299	82,682

No provision for impairment is required as at balance date.

Credit terms for goods and services were within 20 days (2021: 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

	Right-of-use Assets \$'000	Land and buildings (leasehold improvements) \$'000	Property, plant and equipment \$'000	Intangibles (computer software) ¹ \$'000	Total \$'000
As at 1 July 2021					
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)
Total as at 1 July 2021	34,691	12,079	2,577	11,219	60,566
Additions					
Purchase	-	973	279	16,029	17,281
Revaluations and impairments through equity	-	-	-	-	-
Depreciation and amortisation	-	(2,844)	(972)	(2,942)	(6,758)
Depreciation on right-of-use assets	(8,331)	-	-	-	(8,331)
Other movements of right-of-use assets	(230)	-	-	-	(230)
Total as at 30 June 2022	26,130	10,208	1,884	24,306	62,528
Total as at 30 June 2022 represented by					
Gross book value	52,036	22,197	6,753	63,555	144,541
Accumulated depreciation, amortisation and impairment	(25,906)	(11,989)	(4,869)	(39,249)	(82,013)
Total as at 30 June 2022	26,130	10,208	1,884	24,306	62,528
Carrying amount of right-of-use assets	26,130	-	-	-	26,130

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 FWOROCE has 2 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 below.

No independent valuation assessment was conducted during 2021–22. A revaluation will be undertaken during the 2022–23 financial year.

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 FWOROCE 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, or an amount not materially different from 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:

	2022	2021
Leasehold improvement	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 2022. 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 3 years (2021: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

3.3 Payables

	2022 \$'000	2021 \$'000
3.3A: Suppliers		
Trade creditors and accruals	8,006	7,281
Total suppliers	8,006	7,281

Settlement is usually made net 30 days.

	2022 \$'000	2021 \$'000
3.3B: Other Payables		
Salaries and wages	2,372	1,839
Total other payables	2,372	1,839

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

	2022 \$'000	2021 \$'000
3.4A: Leases		
Lease liabilities	28,472	36,888
Total leases	28,472	36,888
Total cash outflow for leases for the year ended 30 June 2022 was \$8.186 million.		
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	9,128	9,857
Between 1 to 5 years	18,605	26,791
More than 5 years	1,319	4,763
Total Leases	29,052	41,411

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 the Government

This section analyses the assets and liabilities that FWOROCCE 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

	2022 \$'000	2021 \$'000
4.1A: Trade and Other Receivables		
Other receivables		
Court-awarded penalties	7,635	8,347
Total trade and others receivables (gross)	7,635	8,347
Less Impairment loss allowance		
Other receivables - Court-awarded penalties	(2,423)	(4,264)
Total trade and others receivables (net)	5,212	4,083

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.

	2022 \$'000	2021 \$'000
4.1B: Other Financial Assets		
Accrued revenue	813	355
Total other financial assets	813	355

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 2022

	Annual Appropriation ¹ \$'000	Adjustments to Appropriation ² \$'000	Total appropriation \$'000	Appropriation Applied in 2022 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	165,738	3,588	169,326	173,903	(4,577)
Capital Budget ⁴	6,711	-	6,711	13,013	(6,302)
Total departmental	172,449	3,588	176,037	186,916	(10,879)

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 \$1.200 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 2021–22 comprised PGPA Act Section 74 receipts of \$3.588 million.
3. The variance between total appropriation and appropriation applied in 2022 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 2021

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

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.

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

Departmental

	2022 \$'000	2021 \$'000
2019–20 Appropriation Act 1 - Ordinary Annual Services	2,657	2,657
2019–20 Appropriation Act 1 - Capital Budget (DCB) - Non Operating	807	807
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
2021–22 Appropriation Act 1 - Ordinary Annual Services	64,948	-
2021–22 Appropriation Act 3 - Ordinary Annual Services	2,870	-
Total	71,282	82,459
Unspent appropriation includes cash and cash equivalents on hand at 30 June.	67,368	81,711
Represented by:		
Appropriations receivable	450	748
Cash	67,818	82,459

Appropriation Acts are automatically repealed 3 years after they have been passed by Parliament. As such, the unspent appropriations from 2019–20 totalling \$3.464 million relating to the National Labour Hire Registration Scheme, that had previously been quarantined, were repealed on 1 July 2022.

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

Authority	Type	Purpose	Appropriation Applied	
			2022 \$'000	2021 \$'000
Fair Work Act 2009 s559(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.	445	937
Total special appropriate applied			445	937

5.2 Special Accounts

ROC Special Account¹

	2022 \$'000	2021 \$'000
Balance brought forward from previous period	1,137	1,340
Increases	7,230	5,306
Total increases	7,230	5,306
Available for payments	8,367	6,646
Decreases	6,175	5,509
Total decreases	6,175	5,509
Total balance carried to the next period	2,192	1,137
Balance represented by:		
Cash held in the agency bank account	-	-
Cash held in the OPA	2,192	1,137
Total balance carried forward to next period	2,192	1,137

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

	2022 \$'000	2021 \$'000
Total comprehensive income – as per the Statement of Comprehensive Income	317	7,130
Plus: depreciation / amortisation of assets funded through appropriations (departmental capital budget funding and / or equity injections¹)	(6,758)	(6,519)
Plus: depreciation right-of-use assets²	(8,331)	(8,902)
Less: principal repayments – leased assets²	8,186	7,822
Total comprehensive loss – as per the Statement of Comprehensive Income	(6,586)	(469)

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.

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

	2022 \$'000	2021 \$'000
6.1: Employee Provisions		
Leave	29,126	29,709
Other	25	38
Total employee provisions	29,151	29,747

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 liability for superannuation recognised at 30 June represents outstanding contributions.

Accounting judgements 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. 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:

	2022 \$'000	2021 \$'000
Short-term employee benefits	2,050	1,964
Post-employment benefits	308	313
Other long-term employee benefits	55	68
Total key management personnel remuneration expenses¹	2,413	2,345

Notes:

The total number of senior management personnel that are included in the above table are 7 (2021: 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 2022, the agency has **no** quantifiable contingent assets. (2021: nil)

At 30 June 2022, the agency has **no** quantifiable contingent liabilities. (2021: nil)

Unquantifiable Contingencies

At 30 June 2022, the agency has **no** unquantifiable contingent assets. (2021: nil)

At 30 June 2022, the agency has **no** unquantifiable contingent liabilities. (2021: 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 2022, the agency has **no** quantifiable administered contingent assets. (2021: nil)

At 30 June 2022, the agency has **no** quantifiable administered contingent liabilities. (2021: nil)

Unquantifiable Administered Contingencies

At 30 June 2022, the agency is currently involved in litigation against **139** 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. (2021: 91)

At 30 June 2022, the agency has **no** unquantifiable administered contingent liabilities. (2021: nil)

7.2 Financial Instruments

	2022 \$'000	2021 \$'000
7.2: Categories of Financial Instruments		
Loans and receivables		
Cash and cash equivalents	450	748
Goods and services receivables	1,082	437
Other receivables	204	210
Total loans and receivables	1,736	1,395
Total financial assets	1,736	1,395
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers	8,006	7,281
Total financial liabilities measured at amortised cost	8,006	7,281
Total financial liabilities	8,006	7,281

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:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) 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 2 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

	2022 \$'000	2021 \$'000
Non-financial assets		
Land and buildings (leasehold improvements)	10,208	12,079
Property, plant and equipment	1,884	2,577
Total fair value measurements of assets in the Statement of Financial Position	12,092	14,656

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

	2022 \$'000	2021 \$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	450	748
Trade and other receivables	69,299	82,682
Prepayments	1,840	1,214
Total no more than 12 months	71,589	84,644
More than 12 months		
Right-of-use assets	26,130	34,691
Land and buildings (leasehold improvements)	10,208	12,079
Property, plant and equipment	1,884	2,577
Intangibles	24,306	11,219
Total more than 12 months	62,528	60,566
Total assets	134,117	145,210
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	8,006	7,281
Other payables	2,372	1,839
Leases	8,886	8,660
Employee provisions	12,197	11,636
Total no more than 12 months	31,461	29,416
More than 12 months		
Leases	19,586	28,228
Employee provisions	16,954	18,111
Total more than 12 months	36,540	46,339
Total liabilities	68,001	75,755

	2022 \$'000	2021 \$'000
8.1B: Current/non-current distinction for Administered Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Trade and other receivables	5,212	4,083
Other financial assets	813	355
Total no more than 12 months	6,025	4,438
More than 12 months		
Total more than 12 months	-	-
Total assets	6,025	4,438
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	-	-
Total liabilities	-	-

8.2 Assets Held in Trust

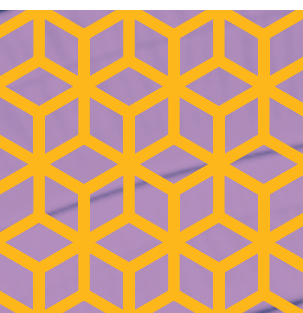
8.2A: Assets Held in Trust

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.

	2022 \$'000	2021 \$'000
Monetary Assets		
As at 1 July	4,858	3,719
Receipts	1,679	2,076
Payments	(445)	(937)
Total monetary assets held in trust as at 30 June	6,092	4,858

The values above are at fair value.



PART 6

Reference material

Reporting on specific legislation

Glossary

Abbreviations and acronyms

List of requirements

Index



Reporting on specific legislation

Legislation	Section
Section 311A Commonwealth Electoral Act 1918	Advertising (page 88)
Section 516A Environmental Protection and Biodiversity Conservation Act 1999	Property and environment management (page 79)
Part II Freedom of Information Act 1982	Freedom of information (page 85)
Schedule 2, Part 4 Work Health and Safety Act 2011	Work health and safety (page 78)
Section 329FC, Fair Work (Registered Organisations) Act 2009	Registered Organisations Commission (page 48)

Glossary

Agriculture Taskforce

An investigative taskforce that aims to address persistent non-compliance in the horticulture and agriculture sectors, through engagement with other regulators and key stakeholders in these sectors.

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.

Employer Advisory Service (EAS)

A free service to help small business employers understand and meet their workplace pay and entitlements obligations under the Fair Work Act.

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.

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 fines issued to employers for breaching record-keeping and pay slip requirements under the Fair Work Act. INs may be issued on the spot.

JobKeeper

A subsidy to help small businesses affected by COVID-19. The ATO paid JobKeeper Payment to eligible employers. It stopped on 28 March 2021 and is no longer available.

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.

Large corporate

Large businesses, corporate groups or entities that are part of an economic group with combined turnover greater than \$250 million.

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/aboutus/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.

Pacific Australia Labour Mobility scheme

The PALM scheme supports eligible Australian businesses in hiring workers from Pacific-island countries and Timor-Leste when there are not enough local workers available. The PALM scheme is jointly administered by the Department of Employment and Workplace Relations (DEWR) and the Department of Foreign Affairs and Trade (DFAT).

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

Vulnerable worker

People who belong to a group which may have a greater risk of vulnerability in understanding and receiving their workplace rights and entitlements.

Abbreviations and acronyms

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AEC	Australian Electoral Commission
APS	Australian Public Service
APSC	Australian Public Service Commission
ATO	Australian Taxation Office
AWU	Australian Workers Union
CEGP	Community Engagement Grants Program
CN	Compliance notice
EL1	Executive Level 1
EL2	Executive Level 2
EU	Enforceable undertaking
Fair Work Act	Fair Work Act 2009
FOI	Freedom of Information
FOI Act	Freedom of Information Act 1982
FRAC	Fast food, restaurant and cafe
FWO	Fair Work Ombudsman
FWOROCE	Fair Work Ombudsman and Registered Organisations Commission Entity
GST	Goods and services tax
IPP	Indigenous Procurement Policy
IPS	Information Publication Scheme
IT	Information technology
KMP	Key Management Personnel
KPI	Key performance indicator
NSW	New South Wales
NT	Northern Territory
OAIC	Office of the Australian Information Commissioner
ORPs	Officer and related party disclosures
PACT	Pay and Conditions Tool
PBS	Portfolio Budget Statements
PGPA Act	Public Governance, Performance and Accountability Act 2013
PSM	Public Service Medal
QLD	Queensland
ROC	Registered Organisations Commission
SA	South Australia
SES	Senior Executive Service
SME	Small and medium enterprises
TAS	Tasmania
TURC	Royal Commission into Trade Union Governance and Corruption
VIC	Victoria
WA	Western Australia

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Page/s
17AD(g)	Letter of transmittal			
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	page i
17AD(h)	Aids to access			
17AJ(a)	-	Table of contents.	Mandatory	page ii
17AJ(b)	-	Alphabetical index.	Mandatory	page 147
17AJ(c)	-	Glossary of abbreviations and acronyms.	Mandatory	page 137
17AJ(d)	-	List of requirements.	Mandatory	page 141
17AJ(e)	-	Details of contact officer.	Mandatory	page 154
17AJ(f)	-	Entity's website address.	Mandatory	page 154
17AJ(g)	-	Electronic address of report.	Mandatory	page 154
17AD(a)	Review by accountable authority			
17AD(a)	-	A review by the accountable authority of the entity.	Mandatory	page 02
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	-	A description of the role and functions of the entity.	Mandatory	page 09
17AE(1)(a)(ii)	-	A description of the organisational structure of the entity.	Mandatory	page 10
17AE(1)(a)(iii)	-	A description of the outcomes and programmes administered by the entity.	Mandatory	page 09
17AE(1)(a)(iv)	-	A description of the purposes of the entity as included in corporate plan.	Mandatory	page 16
17AE(1)(aa)(i)	-	Name of the accountable authority or each member of the accountable authority.	Mandatory	page i
17AE(1)(aa)(ii)	-	Position title of the accountable authority or each member of the accountable authority.	Mandatory	page i
17AE(1)(aa)(iii)	-	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	page i
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 programs 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

PGPA Rule Reference	Part of Report	Description	Requirement	Page/s
17AD(c)	Report on the Performance of the entity			
Annual performance Statements				
17AD(c)(i); 16F	-	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	pages 16, 50
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)	-	A discussion and analysis of the entity's financial performance.	Mandatory	page 86
17AF(1)(b)	-	A table summarising the total resources and total payments of the entity.	Mandatory	page 92
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	page 86
17AD(d)	Management and Accountability			
Corporate Governance				
17AG(2)(a)	-	Information on compliance with section 10 (fraud systems).	Mandatory	page 83
17AG(2)(b)(i)	-	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	page i
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	page i
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	page i
17AG(2)(c)	-	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	page 80
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
Audit Committee				
17AG(2A)(a)	-	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	page 81
17AG(2A)(b)	-	The name of each member of the entity's audit committee.	Mandatory	page 82
17AG(2A)(c)	-	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	page 82

PGPA Rule Reference	Part of Report	Description	Requirement	Page/s
17AG(2A)(d)	-	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	page 82
17AG(2A)(e)	-	The remuneration of each member of the entity's audit committee.	Mandatory	page 82
External Scrutiny				
17AG(3)	-	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	page 84
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	page 85
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	page 84
17AG(3)(c)	-	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	N/A
Management of Human Resources				
17AG(4)(a)	-	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	page 73
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	page 70
17AG(4)(b)	-	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: ▸ Statistics on staffing classification level; ▸ Statistics on full-time employees; ▸ Statistics on part-time employees; ▸ Statistics on gender; ▸ Statistics on staff location; ▸ Statistics on employees who identify as Indigenous.	Mandatory	pages 70–71
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 Public Service Act 1999.	Mandatory	page 75
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	page 75
17AG(4)(c)(ii)	-	The salary ranges available for APS employees by classification level.	Mandatory	page 75
17AG(4)(c)(iii)	-	A description of non-salary benefits provided to employees.	Mandatory	page 75

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
Assets Management				
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
Purchasing				
17AG(6)	-	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	page 86
Reportable consultancy contracts				
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	page 87
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	page 87
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	page 87
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	page 87

PGPA Rule Reference	Part of Report	Description	Requirement	Page/s
Reportable non-consultancy contracts				
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	page 87
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	page 87
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
17AGA	-	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	page 87
Australian National Audit Office Access Clauses				
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
Exempt contracts				
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
Small business				
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	page 86
17AG(10)(b)	-	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	page 86

PGPA Rule Reference	Part of Report	Description	Requirement	Page/s
17AG(10)(c)	-	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>“[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.”</i>	If applicable, Mandatory	page 86
Financial Statements				
17AD(e)	-	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	page 92
Executive Remuneration				
17AD(da)	-	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	page 76
17AD(f) Other Mandatory Information				
17AH(1)(a)(i)	-	If the entity conducted advertising campaigns, a statement that <i>“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.”</i>	If applicable, Mandatory	page 88
17AH(1)(a)(ii)	-	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	N/A
17AH(1)(b)	-	A statement that <i>“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, Mandatory	page 88
17AH(1)(c)	-	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	page 74
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	page 85
17AH(1)(e)	-	Correction of material errors in previous annual report.	If applicable, mandatory	N/A
17AH(2)	-	Information required by other legislation.	Mandatory	page 136

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