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→ Annual Report

New Approaches to
Workplace Relations

Annual Report 2014–15
Fair Work Commission

Requests for information and feedback

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This document must be attributed as the *Fair Work Commission Annual Report 2014–15*.

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Australia's National Workplace
Relations Tribunal

13 October 2015

Senator the Hon. Michaelia Cash
Minister for Employment
Minister for Women
Minister Assisting the Prime Minister for the Public Service
Parliament House
Canberra ACT 2600

The Honourable
Justice Ian Ross AO
President

Dear Minister

I am pleased to present to you the Annual Report of the Fair Work Commission for the year ended 30 June 2015.

This report is provided pursuant to section 652 of the *Fair Work Act 2009* and section 70 of the *Public Service Act 1999*. The report has been prepared in accordance with section 70 of the *Public Service Act 1999* and the guidelines approved on behalf of the parliament by the Joint Committee of Public Accounts and Audit.

Yours sincerely

Justice Ian Ross AO
President
Fair Work Commission

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Readers' guide

This annual report informs parliament and the Australian public about the performance of the Fair Work Commission (the Commission) during the 2014–15 financial year. It has been prepared in accordance with the Annual Report Requirements approved by the Joint Committee of Public Accounts and Audit.

In addition to demonstrating the Commission's performance to parliament, this report also informs stakeholders, educational institutions, the media and the general public about the Commission's work.

This guide will help you to locate information within the report. More detailed information can also be found in the table of contents on page iv or through the index beginning on page 272.

Where a quick response code (QR code) appears within the report, further information can be found by scanning the QR code with your smartphone or visiting the relevant page of the Commission's website. Alternatively, where the QR code relates to a video, you can also find these presentations on the Commission's YouTube channel.

The report is divided into five parts.

Part 1 – Overview

This part provides an overview of the Commission's activities throughout the year. It includes the President's introduction, the General Manager's overview, a summary of the Commission's performance and a discussion of its major achievements.

Part 2 – About the Commission

This part explains who the Commission is, what it does and the value it delivers to the Australian community. It includes information about the Commission's organisational structure, outcome and programme structure set out in the 2014–15 Portfolio Budget Statements, history, stakeholder and community engagement and changes it is making through its *Future Directions* program.

Part 3 – Performance reporting

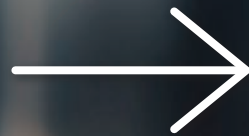
This part discusses the Commission's work in detail and its performance against deliverables and key performance indicators as set out in the 2014–15 Portfolio Budget Statements.

Part 4 – Management and accountability

This part discusses Commission management, including its corporate governance framework, human resources, financial management and external scrutiny.

Part 5 – Appendices

The appendices provide detailed data that support the Commission's performance in this period. For a full list of appendices, refer to the table of contents on page v.



Overview

1 Overview



President's introduction

I am pleased to introduce the Fair Work Commission's Annual Report for 2014–15.

The past year has been a busy one. The Commission has piloted and reviewed several initiatives as part of the *Future Directions* change program and we have continued the significant work involved in the 4 yearly review of modern awards. In addition to these activities we also continued to carry out the Commission's core statutory functions and dealt with over 34,000 applications.

Pilots

This year the Commission has introduced general protections, agreement approval and permission to appeal pilots. All of these pilots are designed to improve the efficiency and quality of the service we provide. All three pilots have shown positive results.

General Protections Pilot

The General Protections Pilot was overseen by Deputy President Kovacic. It involved trained staff conciliators, rather than Members, conducting telephone conferences for s.365 general protections applications from Queensland, Western Australia (WA), and the Australian Capital Territory.

The pilot was independently reviewed during the year and on all key measures – timeliness, settlement rate and client satisfaction – it was a success. The Commission intends to adopt this process for all general protections applications involving dismissal in 2015–16.

Agreements Pilot

The Agreements Pilot, which was overseen by Deputy President Gostencnik, involved a dedicated administrative team undertaking a preliminary assessment of enterprise agreement applications lodged in WA, Tasmania, the ACT, and building and construction industry agreements in Victoria. Following this assessment a report was prepared for the Member to assist in determining the application.

One clear benefit of this approach was timeliness. As the pilot progressed the administrative team became more experienced and the timeframes for assessing agreements improved.

Having a dedicated team assessing agreements has also enabled the Commission to identify trends and common errors made by parties when preparing and lodging agreements.

Throughout 2015–16 the Commission will extend this triage process to more agreement approval applications.

Permission to Appeal Pilot

The Permission to Appeal Pilot commenced in January 2015 and included those types of appeals which our historical data suggested had a higher likelihood of being refused permission to appeal (eg unfair dismissal appeals, because of the higher statutory threshold for permission to appeal). In appropriate cases the time and costs incurred by parties to appeal proceedings may be significantly reduced if the issue of permission to appeal is determined at an early stage, in a separate hearing.

In the pilot, the issue of permission to appeal was determined as a threshold matter. Appellants were required to file a short submission in support of their application for permission to appeal. Respondents were not required to file a written submission but could put oral submissions at the hearing.

All permission to appeal matters were then heard by a single Full Bench either in Sydney or Melbourne in the third week of each month.

This pilot will be reviewed in October 2015, however early feedback is promising.

These pilots are important initiatives to ensure that we continue to deal with all matters efficiently and consistently. They have also provided additional benefits to the Commission, by freeing up Members to concentrate on more complex determinative matters and to list such matters more quickly.

Future Directions

The Commission has continued to implement many of the initiatives that are part of our ongoing *Future Directions* change program.

We reported on our progress in implementing the second phase of *Future Directions* in May 2015.

Some of the highlights this year have included the introduction of a new transcript and monitoring service. This will enable the Commission to provide parties with free, secure access to audio files of individual proceedings online.

The Commission has continued to develop further benchbooks and update others, including the Anti-bullying Benchbook which was updated this year.

We also continue to consult with stakeholders, in particular our small business stakeholders, to seek their feedback on how we can better meet their needs.

New Approaches

We highlighted this work in some of the case studies in last year's annual report. This year several more organisations have been involved in the 'New Approaches' pilot program, including House with No Steps, which is featured in a case study this year.

'New Approaches' is still in its infancy; however the case studies are promising examples of how improved workplace relations can result in tangible benefits for all parties involved.

Departing Members

This year has also seen the departure of many long-serving Members of the Commission and I would like to take this opportunity to acknowledge their contribution and to thank them for their service.

I would also like to acknowledge and thank our key stakeholders for their feedback and assistance over the past year, particularly in relation to our pilot programs and other *Future Directions* initiatives.

Finally the Commission's achievements would not be possible without the hard work and commitment of all our Members and staff. I wish to thank them for their ongoing commitment and dedication to serving the Commission and through it, the Australian community.



Justice Iain Ross AO



General Manager's overview

Over the past year the Fair Work Commission has continued to refine our processes and procedures to ensure we are flexible and can adapt to the changing needs of the community.

Like all public service agencies, we are conscious of delivering genuine value and reducing unnecessary cost. Our focus is on improving productivity and effectiveness by investing in technology, learning and development, and by consulting with stakeholders to better understand their needs.

This year we recorded a small funded surplus, primarily because several Commission Members resigned or retired and were not replaced. However, the changes we are making will ensure we continue to deliver high-quality services within the resources provided by government.

Against this backdrop it gives me great pleasure to provide an update on some of our key achievements for 2014–15 and our focus for next year.

Key performance indicators

The Commission is pleased to report that this year we have met or exceeded all of our key performance indicators as set out in the Portfolio Budget Statements, largely by making changes to the way we work.

We have reduced many of the manual tasks our staff are required to do; freeing them up to do more high-value work, such as taking part in our relief conciliator program. This has not only improved our productivity but also assisted with staff engagement and development.

Future Directions

This year many of our staff have continued to deliver on our *Future Directions* change initiatives. These are detailed in full later in this report but I wanted to highlight a few of these programs.

Day in the Life of the Commission

This year we conducted a client satisfaction survey, *A Day in the Life of the Commission*, to assist us to understand whether we are meeting community expectations. The feedback was overwhelmingly positive but did highlight the need for ongoing improvements to our website.

The website issues had already been identified through a comprehensive usability review undertaken this year. Over the next 12 months we will make changes to the website to reflect the review findings and the feedback from this survey. The report from the Day in the Life survey was published on 18 August 2015.

Australian Workplace Relations Study

The *Australian Workplace Relations Study* (AWRS) is the first employer-employee linked research of this kind conducted in Australia since 1995. The Commission published the AWRS First Findings Report in late January, with the full data set available from June 2015.

In June we also conducted a three-day conference and workshop where a series of papers using the AWRS data set were presented. The research provides a valuable resource to academics and others developing public policy and is no doubt the most comprehensive data set of its kind available today.

Resources

This year our staff have been involved in some significant project work, including the 4 yearly review of modern awards and the agreements and general protections pilots, all of which are discussed later in this report. These projects have assisted Commission staff to extend themselves, develop their skills in new areas and improve service efficiency.

Regulatory compliance

We have also continued to make some significant changes to our role as regulator of Australia's federally registered organisations.

Over the last five years the improvement in registered organisations lodging their Financial and Annual Returns on time has enabled us to focus on the quality of these materials and take action when the appropriate information is not provided.

This year I have finalised Federal Court proceedings against former Health Services Union (HSU) National Secretary Mr Craig Thomson and HSU Victoria No.1 Branch.

I have also commenced proceedings against the:

- Australian Nurses and Midwifery Federation WA Branch, and
- Musicians' Union of Australia.

This work will of course continue and in 2015–16 we will also begin to report on our performance against the Regulator Performance Framework, which came into effect on 1 July 2015.

Reporting requirements

The Commission is well-placed to meet the new reporting and accountability requirements under the *Public Governance Performance Accountability Act 2013* (PGPA Act).

Shortly after the end of the reporting period, we finalised and published our Corporate Plan and we are well-placed to meet our requirements under the new Regulator Performance Framework. We will report against both of these next year.

In addition, we have undertaken a significant audit of our risk management processes and finalised a new Risk Management Plan.

Focus areas in 2015–16

In 2015–16 we will continue to keep the focus on the needs of tribunal users, including small business, to ensure that our information and processes are appropriate and useful. As the shift towards more individual matters continues, our task is to help parties navigate what can be unfamiliar and complex processes in making or responding to applications to the Commission.



Bernadette O'Neill

Performance summary

Public inquiries



3,766,398

website visits



1,743,653

unique visits



207,749

telephone calls received



120,535

unfair dismissal
eligibility quiz views



48,242

anti-bullying
eligibility quiz views



26,158

general protections
eligibility quiz views

Overview



34,152

applications
received



19,922

hearings and
conferences held



12,440

decisions and
orders published

Key performance indicators met



28 days
median time taken from lodging applications to finalising conciliations in unfair dismissal matters



3 days
median time taken to list applications relating to industrial action



49.6%
of agreement applications finalised within 21 days of lodgment

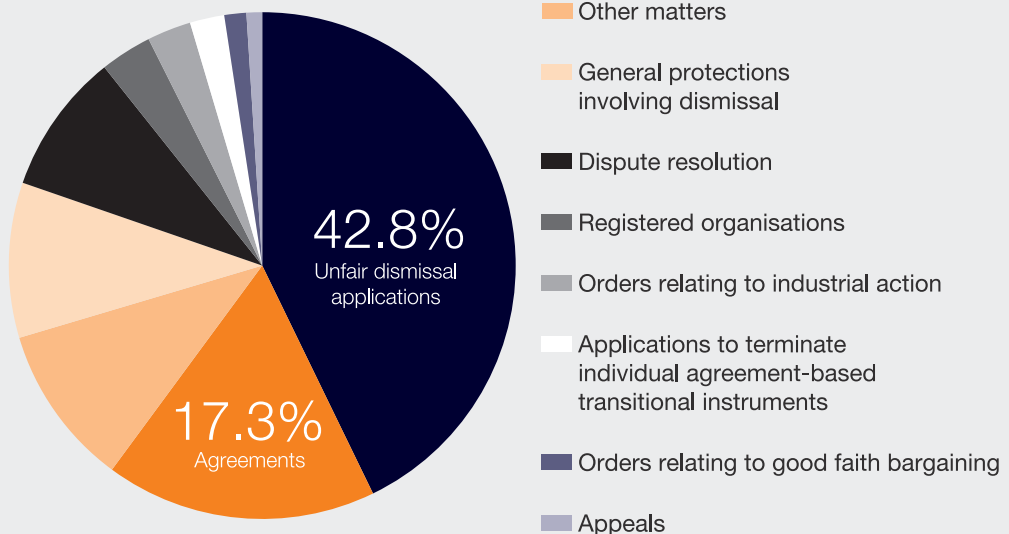


Annual wage review
completed 2 June 2015



96.3%
of financial reports lodged under the Registered Organisations Act assessed for compliance within 40 working days

Type of applications lodged



Major achievements

In addition to carrying out its general functions, the Commission accomplished a number of major achievements in 2014–15. These included:

- introducing a pilot program for the assessment of enterprise agreements designed to reduce the time between lodgment and decision
- introducing a general protections pilot program designed to deal with these matters in a more timely manner as well as improve client satisfaction and settlement rates
- introducing a pilot program to explore efficiencies for parties in seeking permission to appeal
- completing the *Australian Workplace Relations Study (AWRS)* which generated the first Australia-wide statistical data set linking employee data with data from their employer since 1995. The Commission then hosted a three-day conference and workshop for a range of stakeholders to showcase how the AWRS data could be used.
- upgrading monitoring equipment including microphones in every hearing room nationally allowing for greater flexibility in conducting proceedings and future cost savings
- completing ‘citizen co-design’ research with small business owners into the usability of modern award documents to support the 4 yearly review of the modern awards
- achieving, for the first time, 100 per cent voluntary compliance with the lodgment of registered organisations’ Annual Returns on time
- ensuring a record high voluntary compliance level of 95 per cent of registered organisations’ financial reports lodged on time, which increased to 98.75 per cent following Commission intervention.



About the Commission

2 About the Commission

Outcome and programme structure

The 2014–15 Portfolio Budget Statements for the Employment portfolio set out one planned outcome and programme for the Fair Work Commission (the Commission).

Outcome

The Portfolio Budget Statements provide information on the resources allocated to the Commission to achieve specified outcomes. Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community.

The Commission has a single planned outcome:

Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.

Programme

Commonwealth programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. The Commission works towards achieving its outcome through the delivery of the following programme:

Dispute resolution, minimum wage setting, orders and approval of agreements.

The Commission's programme objective is to exercise powers under the *Fair Work Act 2009* (Fair Work Act):

- in accordance with the objects of the Act
- in a manner that is fair and just; is quick, informal and avoids unnecessary technicalities; is open and transparent; and promotes harmonious and cooperative workplace relations.

Programme deliverables

The Commission's deliverables are:

- dispute resolution
- determining unfair dismissal applications
- minimum wage decisions
- orders relating to industrial action
- processes relating to modern awards
- approval of agreements
- regulation of registered organisations
- dealing with workplace bullying applications.

Programme key performance indicators

The Commission's key performance indicators are:

- Improve the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications.
- Annual wage review to be completed to enable an operative date of 1 July.
- Improve the time taken to list applications relating to industrial action.
- Improve the agreement approval time.
- Ninety-five per cent of financial reports required to be lodged under the *Fair Work (Registered Organisations) Act 2009* (Registered Organisations Act) are assessed for compliance within 40 working days.

The Commission's performance against these key performance indicators is discussed in Part 3 – Performance Reporting of this report.

The Portfolio Budget Statements also contain performance targets for the Road Safety Remuneration Tribunal (RSRT). The performance of the RSRT is discussed in the *Road Safety Remuneration Tribunal Annual Report 2014–15*.

Who we are and what we do

The Commission is Australia's national workplace relations tribunal.

The Commission is responsible for administering the provisions of the Fair Work Act and the Registered Organisations Act.

The Fair Work Act empowers the Commission to:

- resolve unfair dismissal claims
- make orders to stop or prevent bullying at work
- deal with general protections and unlawful termination claims
- annually review and determine the national minimum wage and minimum wages in modern awards
- make, review and vary modern awards
- make orders to ensure equal remuneration for work of equal or comparable value
- make orders to facilitate enterprise bargaining (including orders for ballots on unprotected industrial action and good faith bargaining) and to deal with bargaining disputes
- approve, vary and terminate enterprise agreements
- make workplace determinations in certain circumstances in which enterprise bargaining parties have been unable to reach agreement
- make orders to stop or suspend industrial action
- deal with disputes brought to the Commission under the dispute resolution procedures of modern awards and enterprise agreements
- make orders in relation to transfer of business
- deal with disputes about stand downs
- issue, suspend and revoke right of entry permits and deal with disputes concerning right of entry
- promote cooperative and productive workplace relations and prevent disputes
- provide assistance and advice about its functions and activities.

The Registered Organisations Act also confers functions upon the Commission and the General Manager in relation to federally registered organisations of employers and employees.

As at 30 June 2015, there were 110 organisations registered under the Registered Organisations Act comprising 63 employer organisations, 46 employee organisations and one enterprise association.

Many of the registered organisations are divided into branches which are considered to be individual reporting units for the purposes of Part 3 of Chapter 8 of the Registered Organisations Act. In the 2014–15 financial year, there were 400 reporting units required to report on their financial records and accounts.

The Registered Organisations Act empowers the Commission to:

- determine applications for registration and cancellation of registration of employee and employer organisations
- approve the amalgamation of organisations
- approve membership agreements and assets and liabilities agreements between employee organisations and state registered unions
- determine applications for alterations of the eligibility rules of organisations.

The Registered Organisations Act also empowers the General Manager to:

- assess the financial reports of organisations
- assess the Annual Returns of organisations
- approve elections for organisations
- certify alterations to rules (other than eligibility rules)
- provide advice and assistance to organisations
- conduct inquiries and investigations into possible breaches of financial obligations and civil penalty provisions by organisations, their officials and/or employees
- apply for orders in the Federal Court of Australia in relation to contraventions of the Registered Organisations Act.

The Commission's staff also provide assistance and support to the RSRT, which is an independent tribunal established under the *Road Safety Remuneration Act 2012* (RSR Act).

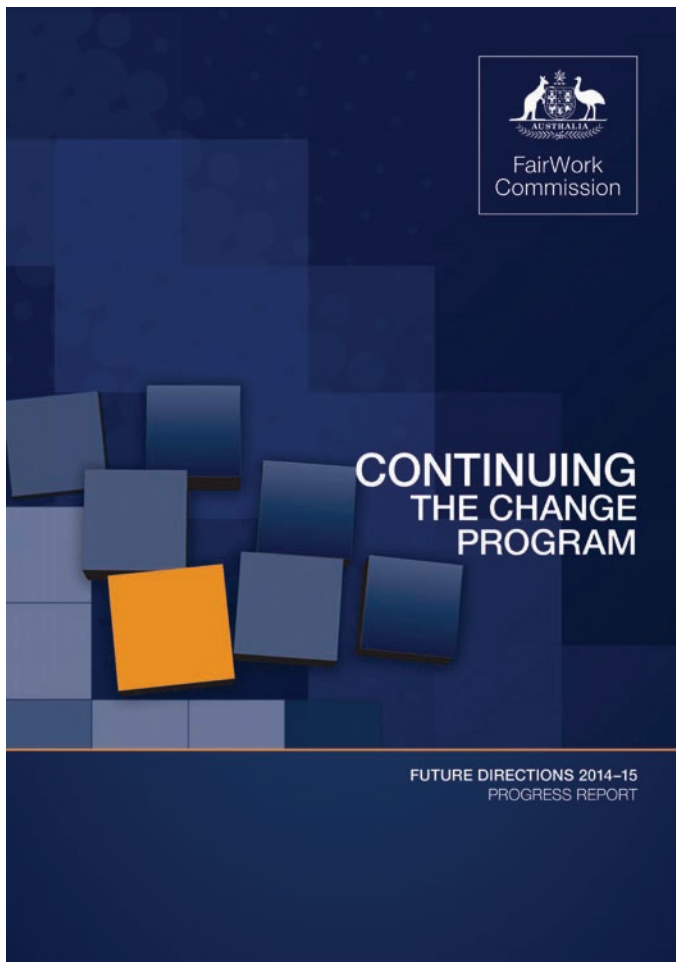
The Commission is required by legislation to perform its functions and exercise its powers in a manner that:

- is fair and just
- is quick, informal and avoids unnecessary technicalities
- is open and transparent
- promotes harmonious and cooperative workplace relations.

The Commission is also committed to its *Future Directions* ongoing change program to improve performance and the quality of services provided. This program includes initiatives grouped under four key themes:

- promoting fairness and improving access
- efficiency and innovation
- increasing accountability
- productivity and engaging with industry.

The initiatives are directed at ensuring that the Commission fulfils its role as an accessible, fair, efficient and accountable national institution that responds appropriately to change and continually improves the services delivered to the community.

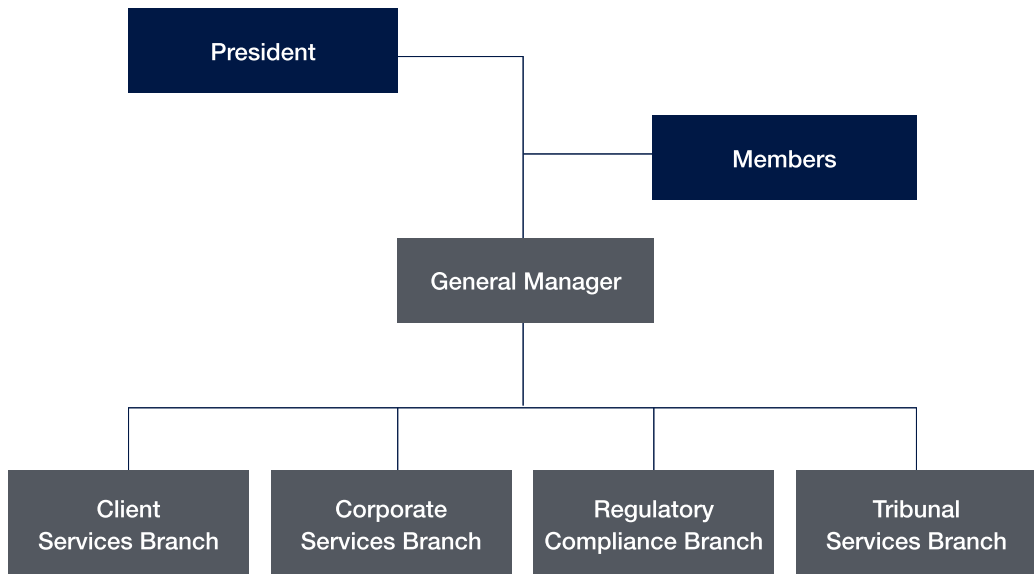


The Commission updated stakeholders on its progress implementing the second phase of *Future Directions* initiatives in May 2015.

Our structure

The Commission comprises the President, Members, General Manager, and administrative staff across four branches.

Figure 1: Organisational structure



Members

The Commission is headed by the President, the Honourable Justice Iain Ross AO, who is also a Judge of the Federal Court of Australia. Commission Members perform quasi-judicial functions under the Fair Work Act, including conducting public hearings and private conferences for both individual and collective matters. They also perform certain functions under the Registered Organisations Act, including determining applications for registration and cancellation of registration and for alterations to eligibility rules of employee and employer organisations.

Commission Members are independent, statutory office holders appointed by the Governor-General on the recommendation of the Australian Government of the day. They are appointed until the age of 65 on a full-time basis, although they may perform duties on a part-time basis with the approval of the President. Members of state industrial tribunals may also hold a dual appointment to the Commission. Expert Panel Members are appointed on a part-time basis for a specified period of not more than five years.

Commission Members come from a diverse range of backgrounds including the law, unions and employer associations, human resources and management and the public service. Expert Panel Members must have knowledge or experience in one or more fields specific to their panel.

Members often share their expertise and engage with the community by participating in a range of presentations, speeches and events in Australia and internationally. For a full list of Member activities see Appendix C.

Retirements and resignations

During the reporting period Deputy President McCarthy and dual-appointee Commissioner Steel retired, while Commissioner Deegan resigned her appointment from the Commission.

Shortly after the close of the reporting period Deputy President Smith resigned his appointment, while Justice Boulton, Commissioner Lewin and Commissioner Blair retired from the Commission. A full list of Members is contained in Appendix A.

The Panel system

The Commission's work is allocated through a panel system. There are five industry panels as well as specialist panels dealing with anti-bullying, termination of employment, organisations and major resources/infrastructure projects. A Panel Head is responsible for allocating the work of a panel to other panel members. The panel system will be reviewed in 2015–16 to ensure that workload allocation operates efficiently and equitably.

There are two Expert Panels which have particular functions in relation to annual wage reviews and assessing superannuation default funds. In addition to Commission Members, the Expert Panels include part-time Expert Panel Members with knowledge or experience in specialised fields. A full list of panel assignments is contained in Appendix B.

Administrative staff

Headed by the General Manager, Ms Bernadette O'Neill, Commission staff members are public servants who administratively support and facilitate the work of the Commission.

Staff are organised into four branches:

- Client Services handles the majority of the Commission's public inquiries, both by telephone and at offices in each state and territory. Staff members receive and process applications, prepare files, coordinate hearing and conference rooms, maintain the case management system, arrange and conduct conciliations and mediations and publish documents including decisions and orders.
- Corporate Services is responsible for corporate governance and reporting, legal services, financial management and resources, payroll, media and communications, human resources and information technology.
- Regulatory Compliance assists in administering the functions of the Registered Organisations Act. Staff members oversee compliance by federally registered employee and employer organisations with legislative obligations, conduct inquiries and investigations into the compliance of organisations and individuals, and process applications for right of entry permits by officials of federally registered employee organisations.
- Tribunal Services provides research, project management and administrative support to Commission Members. Staff members coordinate the day-to-day support in Members' Chambers and undertake high-level research activities. They also assist with management of large statutory reviews, such as those associated with modern awards, default superannuation funds and the minimum wage. In addition, they coordinate arbitration hearings for unfair dismissal matters, provide research for individual Members, maintain a workplace relations library and oversee national and international engagement activities.

Our history

Australia has had a national workplace relations tribunal for more than a century and it is one of the country's oldest key institutions. Over time the tribunal, currently known as the Fair Work Commission, has undergone many changes in jurisdiction, name, functions and structure. Throughout its history, the Commission has made many decisions that have affected the lives of working Australians and their employers. The Commission recognises the importance of promoting public understanding of the role of the tribunal and of capturing and preserving its history for display and research.

Sir Richard Kirby Archives

Launched in October 2002, the Sir Richard Kirby Archives were established to preserve the history of Australia's national workplace relations tribunal.

During the reporting period the Honourable Professor Joseph Isaac AO continued to donate a significant collection of personal papers to the Sir Richard Kirby Archives. Professor Isaac served as Deputy President of the Australian Conciliation and Arbitration Commission from 1973 to 1987. His personal papers are a rich and generous contribution to the archives. They include speeches, letters, lecture notes, journal articles and newspaper clippings. Further information about the archives can be found by scanning the QR code or at www.fwc.gov.au/sir-richard-kirby-archives/the-archives.

An important part of the Sir Richard Kirby Archives is the Oral History

program, a collection of interviews with past Members and senior staff of the Commission. The program captures information and experiences that might not appear in formal documents and would otherwise be lost. During the reporting year a new oral history film was completed and added to the archive: The Hon. Keith Jackson Hancock, AO, Deputy President 1987–92, Senior Deputy President 1992–97.

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Waltzing Matilda and the Sunshine Harvester Factory

Deputy President Hamilton has developed the Waltzing Matilda and the Sunshine Harvester Factory website content, book and film as a significant resource for students and others with an interest in the history of the Australian industrial relations system.

The website pages received just over 7500 visits (10,245 page views) in the reporting period.

During 2014–15 the book was downloaded from the iBooks store 255 times and a number of printed copies of the book were also sold.

The website content can be found by scanning the QR code or at www.fwc.gov.au/waltzing-matilda-and-the-sunshine-harvester-factory.

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Our clients and stakeholders

The Commission's work affects most of Australia's employees and employers and as a consequence it has a diverse group of clients and stakeholders.

It has jurisdiction over a national system which covers all employees of private businesses (with the exception of some businesses in Western Australia) and public sector and local government employment in some states and territories.

The Commission's clients and stakeholders include:

- employees and employers
- unions and employer organisations
- the public
- legal practitioners, human resources professionals and other workplace relations advisors
- federal, state, territory and local governments.



Mr Kamal Farouque of Maurice Blackburn Lawyers participates in a mock hearing hosted by the Commission as part of Law Week 2015.

Engagement

The Commission recognises that the needs of the community it serves are changing and so it regularly consults with clients, stakeholders and the broader community to ensure the services it provides meet the demands of a contemporary workplace relations system. The Commission's engagement strategy has a number of complementary elements that include the *Future Directions* change program, and a range of ongoing initiatives such as: the Workplace Relations Education Series; the domestic briefings program; the *Quarterly Practitioner Update*; the benchbooks and other information materials; the pro bono schemes in Melbourne and Sydney; and the Commission's work with the international community.

During the year the President has updated stakeholders on the progress of *Future Directions* initiatives at two information events, one in Sydney and one in Melbourne.

Workplace Relations Education Series

The Commission's Workplace Relations Education Series continued during the reporting period with events held in Brisbane, Perth, Hobart, Adelaide and Melbourne. The series includes mock hearings, lectures, and an invited paper series. These initiatives provide an opportunity for those interested in the Commission's work to hear from prominent academics and to observe how Commission proceedings are conducted.

SCAN FOR VIDEO



The mock hearings have attracted large numbers of students, practitioners and human resource professionals who observe senior barristers and lawyers argue the merits of unfair dismissal and anti-bullying matters. The lectures feature presentations on a range of workplace relations topics by local and international academics and experts, and are held in collaboration with universities around Australia.

The Commission's invited paper series features papers on relevant workplace relations issues, authored by external workplace relations academics, researchers and practitioners. During the year, four papers were published on the Commission's website, along with recordings of the lectures and mock hearings.

Domestic briefings program

Commission Members regularly give presentations and provide briefings at Commission premises or off-site at metropolitan or regional locations. The briefings can entail a formal presentation on a specific topic or an informal overview of the federal workplace relations system. During the year, briefings were conducted for 17 groups in Melbourne, 10 in Sydney, three in Brisbane, Perth and Canberra, and one each in Adelaide and Orange.

Engagement with Community Legal Centres

The Commission continued to work with community legal service providers in 2014–15. In particular during the reporting period the Commission worked closely with the Footscray Legal Centre. Commission Members and staff provided training to a group of community education workers, enabling them to deliver legal education sessions to their own communities in Melbourne's western suburbs.

Quarterly Practitioner Update newsletter

The first *Quarterly Practitioner Update* newsletter for 2015 was published in autumn. The Updates will assist workplace relations practitioners by providing information on the Commission's key decisions and about new or updated Commission forms, processes, resources and events. Anecdotal feedback about the newsletter has been very positive.

International engagement

The Commission continues to engage with countries around the world that are interested in learning about Australia's workplace relations system.

Under the Memorandum of Understanding (MOU) between the Commission and the International Labour Organization (ILO), the ILO made two requests for assistance in the reporting period. Justice Boulton participated in an ILO-sponsored conference in Myanmar and Commissioner Roe provided training and technical assistance to the Employment Tribunal in the Maldives. These visits were funded by the ILO.

During the reporting period the Commission entered into agreements with two South East Asian government agencies. In June, the Commission President signed a Memorandum of Understanding with the Ministry of Labour and Vocational Training of Cambodia and the Cambodian Arbitration Council; and signed a Letter of Understanding with the Ministry of Manpower in Singapore.

Under the guidance of its International Development Committee, the Commission also hosted eight international delegations including from:

- the Singapore Security Tripartite Cluster
- lawyers from the Czech Republic undertaking a study program at the Queensland University of Technology
- the Ministry of Manpower, Singapore
- the Ministry of Labour and Vocational Training, Cambodia, led by their Minister
- the Supreme Court of the Republic of Indonesia
- the Human Resources and Social Security Department of Liaoning Province, China
- Deputy Chief Justice of the High Court, Namibia and the Registrar of the High Court and Supreme Court of Namibia
- the Vietnam General Confederation of Labour.

As part of the G20 Meetings held in November 2014, the Commission provided a briefing to the South African Minister for Labour.

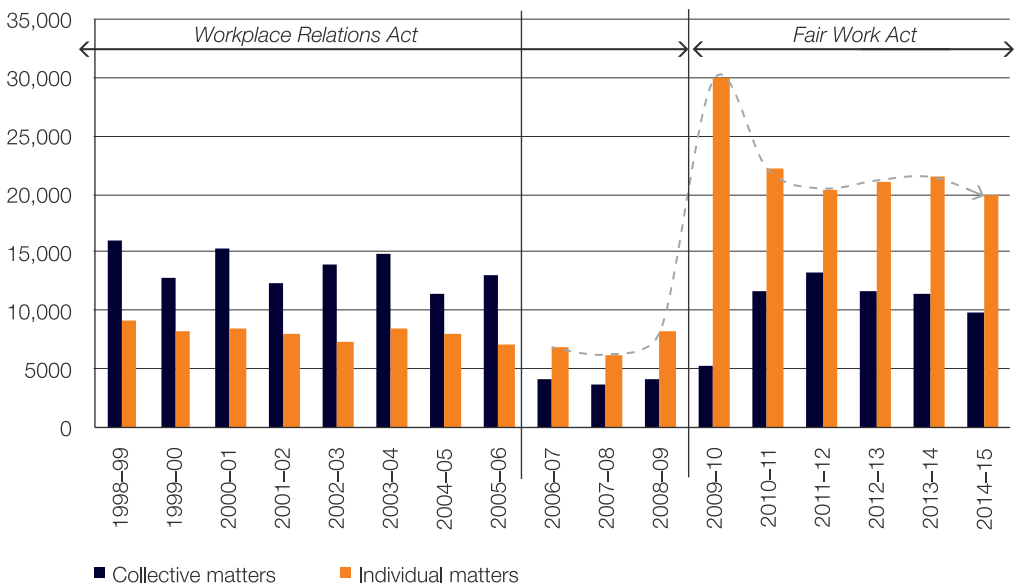
The International Development Committee also continues to be invited to attend the meetings of the International Labour Affairs Committee chaired by the Department of Employment. The committee met on 15 October 2014 and 27 February 2015.

Our future direction

The economic and social environment in which the Commission operates has continued to change throughout 2014–15.

The most significant change continues to be the ongoing shift from more traditional collective dispute resolution work to individual dispute resolution, as illustrated in Figure 2. Figure 2 shows that in the past 12 months, the Commission has continued to deal with significantly more disputes of an individual nature than in the past.

Figure 2: Matters dealt with by the Commission and its predecessors, 1998–99 to 2014–15



The reduced number of collective applications between 2006 to 2009 can be attributed to jurisdictional changes to the *Workplace Relations Act 1996* during this period. The large spike in individual matters in the 2009–10 financial year primarily reflects a large number of applications to terminate individual agreement-based transitional instruments (16,089 applications).

Methodology is at Appendix E.

This trend means that the Commission must continue to adapt to reflect the evolving nature of the parties appearing before it. The Commission continually consults with stakeholders and reviews its processes to identify ways it can make interacting with the tribunal as simple as possible.

An example is the Commission's work with small business. During the past 12 months the Commission has consulted with many small businesses, their peak bodies and other government agencies to better understand the unique challenges faced by this important sector of the Australian economy. See *Working with Small Business In Focus* on page 32.

As part of the Commission's commitment to improving transparency, accountability and access to justice, it has also looked for ways to make its processes more efficient. In line with this it has focused on reducing the number of manual, low-value tasks to free up staff for more meaningful, value-adding work.

The shift in the nature of its work has led the Commission to focus on alternative dispute resolution models and on a preventative approach to dispute resolution, where appropriate. This approach helps it to meet its statutory obligation to 'promote cooperative and productive workplace relations'.

The Commission's 'New Approaches' program (see 'New Approaches' In Focus on page 37) and associated initiatives are also designed to help it meet this statutory obligation and to promote a more proactive dispute prevention model.

Future Directions – Continuing the Change Program

The Commission launched *Future Directions – Continuing the Change Program* in May 2014 identifying 30 initiatives to be delivered over a two-year period. As the Commission enters the second stage of the program, it is evaluating some of the work already undertaken in stage one, and introducing new pilot projects. Initiatives delivered under the program are grouped under four key themes:

- promoting fairness and improving access
- efficiency and innovation
- increasing accountability
- productivity and engaging with industry.

The initiatives are a result of consultation with Commission Members, staff and key stakeholders. These initiatives continue to guide the Commission's activities, while maintaining sufficient flexibility to meet the changing needs of the Australian community. At the end of the reporting period, more than half of the 30 initiatives had been delivered.

Promoting fairness and improving access

Benchbooks

The Commission publishes a series of benchbooks on unfair dismissal, anti-bullying, enterprise bargaining and general protections legislation that are designed to assist parties to prepare for matters before the Commission. The benchbooks are available on the Commission's website and are regularly reviewed to ensure they are kept up to date with current case law. During the reporting period the Commission reviewed and updated the existing Unfair Dismissal, General Protections and Anti-bullying Benchbooks.

In March this year the Commission launched the Enterprise Agreements Benchbook and work is underway on an industrial action benchbook.

The Enterprise Agreements Benchbook is designed to help parties seeking to make an enterprise agreement.

The benchbooks have become a popular resource for workplace relations practitioners and unrepresented parties. The Commission's webpage dedicated to benchbooks was visited more than 127,000 times by approximately 47,000 separate users during the reporting period.

The statistics for each benchbook are as follows:

Total number of users: 47,139*

Total number of page views: 127,301

Anti-bullying (URL changed in May 2015)

Total number of users: (2540 + 4658) 7198

Total number of page views: (4250 + 8356) 12,606

Enterprise Agreements (launched in May 2015)

Total number of users: 4040

Total number of page views: 9600

General Protections

Total number of users: 18,980

Total number of page views: 46,114

Unfair Dismissals

Total number of users: 22,069

Total number of page views: 57,052

* Please note the total number of users may differ from the tally of users referred to for each individual benchbook as some users have accessed more than one benchbook. Equally the total number of page views may also differ to the individual statistics as some users have accessed the benchbook page on the website without then opening an individual benchbook.

Access to audio files of Commission hearings

The Commission has worked closely with its monitoring and transcript provider to develop the infrastructure necessary to allow parties to access audio files of their proceedings. A secure external website has been developed and is currently undergoing user testing, and request protocols are also being finalised. Parties will be able to request access to audio files of their proceedings by the end of 2015.

Pro bono schemes

The Commission's pro bono legal scheme provides unrepresented parties with free legal assistance in unfair dismissal jurisdictional hearings in Melbourne and Sydney.

The Melbourne scheme emerged from a successful pilot program that concluded in December 2013. The RMIT Centre for Innovative Justice reviewed the pilot program, and the Commission used their review recommendations to modify the service to better meet the needs of parties.

The Commission relaunched the Melbourne pro bono scheme as an ongoing program on 1 July 2014.

A roster of Melbourne law firms who have volunteered to provide independent legal advice to unrepresented parties prior to their hearing, forms the basis of the program. From 1 July 2015 the scheme was expanded to include regional Victoria with the participation of regional law firms. A scheme also operates in Sydney.

The Melbourne and Sydney schemes will be reviewed in the next 12 months to ensure they are working as effectively as possible.

Pilot information kiosk in Sydney

An information kiosk has been established on a trial basis in the Sydney Registry. By allowing people to complete and lodge forms and to access relevant information online, the kiosk assists people who do not have ready access to the internet or who have attended one of the Commission's offices in person. The Commission will consider expanding kiosk facilities to other registries once its online lodgment service is fully implemented. The Commission is also seeking feedback from users about their experiences using the Sydney Registry's information kiosk.

Produce virtual tours covering general protections and anti-bullying

Virtual tours are videos and supporting plain English web text that aim to explain the Commission's functions and processes in a simple, user-friendly way to help reduce the anxiety felt by unrepresented parties when attending the Commission.

In December 2013, the Commission launched the first phase of its virtual tour, detailing the key processes in relation to unfair dismissals and providing information about each of its offices.

Phase two of the virtual tour is expected to be delivered in early 2015–16. The Commission is developing videos and web text about anti-bullying plus a video-based mock hearing for unrepresented parties. The anti-bullying virtual tour will provide a detailed explanation of this relatively new jurisdiction, including how to make an application, how to respond to an application and how the Commission will deal with a matter once an application is made.

A mock hearing virtual tour will address many of the common issues faced by unrepresented parties when taking part in a hearing or conference, such as cross-examining witnesses and the matters that an applicant or respondent should address when presenting their case.

The Commission has also conducted pilot programs for both the general protections and appeals jurisdictions and is now considering producing video-based virtual tours relating to these jurisdictions in 2015–16.

Processes for Commission staff to identify issues where self-represented applicants may wish to seek legal advice

The Commission has implemented new procedures for managing unfair dismissal and general protections files. In situations where applications are lodged out of time, or where applicants have not met the minimum employment period, applicants are now provided with greater information about how their matter will be processed. The Commission will continue to assess the effectiveness of these new procedures in 2015–16.

Review and update all forms

The Commission is continuing to revise the forms for making and responding to applications to the tribunal. The review aims to make the forms easier to complete and to ensure that the Commission has all relevant information it needs when considering an application. The Commission anticipates that the review will reduce the need to contact clients for further information prior to proceedings commencing.

The Commission is updating forms by:

- adding a cover sheet giving guidance on who can use the form, a brief description of the type of application, where to get help and how to lodge the form
- adding questions that ensure parties provide all of the information relevant to their application
- including links to relevant guides and icons that alert parties to information to assist in answering questions.

To date, 41 out of 96 forms have been reviewed. The Commission aims to complete this project by mid 2016.

Improve access to information and advice

During 2014–15 the Commission:

- Published webinars concerning the obligations of federally registered organisations and educational videos (including mock hearings).
- Enhanced the capacity to search collective agreements, adding a further 58,000 historical industrial agreements (approved before 1 July 2009) to the enterprise agreement database.
- Following last year's website platform upgrade, conducted an extensive review of the website's usability, content and search functions in preparation for a further website upgrade in 2015–16.

Examine effective use of technology

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In 2014–15 the Commission expanded its use of live streaming, with more than 250 unique website visitors watching the two final consultation sessions for the annual wage review. Consistent with previous years, the decision was also live streamed with more than 800 unique website visitors watching it on the day. This also allowed real-time outreach for the media and stakeholders, and reduced their reliance on the written decision.

The Commission also live streamed the *Australian Workplace Relations Study* Conference and workshop over three days in late June, allowing interested stakeholders to 'virtually' attend the conference, either in real time or later through links on the Commission website.

Efficiency and innovation

Wi-fi access

Since July 2014 all Commission offices and hearing rooms have provided wi-fi access for visitors. Information about using the wi-fi service appears on the Commission's website at www.fwc.gov.au/about-us/media-centre/guest-wi-fi-service-terms-conditions.

SMS alerts

The Commission has identified a number of key areas in which SMS alerts could provide timely reminders and information to clients, primarily concerning unfair dismissal matters listed before Commission Members.

During the reporting period the Commission has commenced using an SMS system for hearings dealing with unfair dismissals and is preparing to make further changes to the case management system to expand the availability of SMS as an additional means of communicating with clients.

Efficiency

The Commission will introduce a facility permitting bulk lodgment of multiple, related applications and smart forms as part of a new electronic case management system which is being introduced in 2016. Further detail on the introduction of the new electronic case management system is provided below.

Electronic case management system

The Commission has been reviewing its current electronic case management system with the aim of implementing a new system that meets its future needs and those of its clients. In 2014–15 the Commission consulted with Commission Members and staff to identify desirable system features. In early 2015 the Commission issued a request for information to gain an understanding of market capability to fulfil the potential requirements of a new case management system. The Commission will finalise business requirements during the second half of the 2015 calendar year and then develop a business case for a new case management system.

Review processes for approval of enterprise agreements

A pilot program for the triage of enterprise agreement approval applications commenced on 6 October 2014 and ran until 30 June 2015. Under the pilot, which was overseen by Deputy President Gostencnik, administrative staff conducted a preliminary assessment for Members of a portion of enterprise agreement applications in selected industries and geographic locations. An external review in May 2015 found that administrative staff had effectively and efficiently assessed applications in accordance with the Fair Work Act and to the satisfaction of Commission Members.

Following the review, the President decided to extend the triage process in stages during the remainder of 2015. From 1 July 2015, a greater range of enterprise agreement approval applications have been progressively referred to the pilot. Deputy President Gostencnik will continue to supervise the triage process with the assistance of Deputy President Kovacic and Commissioners Roe, Lee and Gregory. The Commission anticipates that by 1 October 2015, more than 70 per cent of agreement approval applications will be assessed by the triage process. See *Agreements Pilot In Focus* on page 99.

Increasing accountability

The Commission's performance against the International Framework for Tribunal Excellence

Assessing the Commission against the International Framework for Tribunal Excellence has been deferred until the other *Future Directions* initiatives have been implemented.

Day in the life of the Commission

In the first two weeks of February 2015 the Commission took a snapshot survey of a day in the life of the Commission to capture client satisfaction with any of its services that were provided on that day.

Survey participants completed a hardcopy questionnaire and the findings were published on the Commission's website shortly after the close of the reporting period. Most measures were ranked highly, particularly satisfaction with Commission Members and staff. The survey reinforced findings from the website usability review, which was also conducted in the first half of 2015, expressing the need to further improve the website's navigation, search function and the adequacy of resources for clients from a non-English speaking background.

Application benchmark information

This initiative is aimed at providing parties with indicative information about average times taken for different types of applications to be finalised. Completion of this project is expected by the end of 2015.

Performance indicator framework

The Commission has developed a framework and sought an external review on its performance effectiveness. The framework is being modified to include the measures used to assess the pilot programs run in 2014–15.

Research

In 2014 the Commission commissioned research to identify options to improve its public value and review its performance indicator framework.

Additional timeliness benchmarks

The Commission's pilots utilised different ways to manage applications for general protections disputes, enterprise agreement approval and in seeking permission to appeal. These programs allowed the Commission to examine its practices and set new benchmarks for performance reporting. For this reason, this initiative was extended with the view to set new timeliness benchmarks by mid 2016.

In developing the timeliness benchmarks, the Commission is undertaking detailed mapping of the different pathways which lead applicants and respondents to an unfair dismissal hearing (including, for instance, whether a jurisdictional hearing was held). This has helped to highlight areas for improvement with the case management processes. In the next reporting period the Commission will trial and measure a number of changes to its case management processes with the aim of using the results to develop benchmarks for this initiative.

Productivity and engaging with industry

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Mock hearings

Having already held mock hearings in the first half of 2014 in Sydney and Canberra, the Commission held further mock hearings in Brisbane, Perth, Hobart, Adelaide and Melbourne during the reporting period. The hearings form part of the Workplace Relations Education Series and provide observers with an insight into the processes and procedures of unfair dismissal and anti-bullying hearings in an educative setting. Several of the mock hearings have been recorded and published on the Commission's website and YouTube channel to ensure their ongoing accessibility.

Communications strategy

In mid-2014 the Commission consulted with stakeholders to assist it in developing a broad-ranging communications strategy. The aim of the strategy is to improve the public's understanding of the Commission's services and role within the community. It contains a variety of short, medium and long-term strategic communication initiatives.

The Commission used an external contractor, The Reputation Group, to undertake stakeholder research to develop the strategy. The Commission is currently reviewing the strategy and developing an implementation plan, which will begin in 2015–16.

Establishment of new user groups

In collaboration with a range of government, non-government and practitioner organisations the Commission is working as part of a steering group for a migrant workers campaign, looking at ways to better assist and educate migrant workers about their workplace rights. The Commission is also working with the Footscray Community Legal Centre to support its employment law-focused program.

Better services to small business

Given the change in the nature of its work, with a shift from collective to individual disputes, an increasing number of small businesses are coming into contact with the Commission. Small business representatives have told the Commission that they require simple, plain English materials to assist them to engage with the tribunal. The Commission will continue to consult with small business representatives to explore ways to improve its services to meet their needs. Some of the initiatives that it is undertaking or considering include:

- Agreement making guide and checklist – the Commission is developing an agreement making guide and checklist with a particular focus on assisting small business with the bargaining and agreement making process. The checklist will be written in plain language and include a summary of important dates in the agreement making process. In June 2015 the Commission tested these information materials with small businesses. At the close of the reporting period it was reviewing feedback from this market testing.
- A research initiative to gain practical insights and a greater understanding of the attitudes of the small business community in relation to their use and perceptions of modern award documents. The Commission contracted Sweeney Research to conduct citizen co-design focus groups and in-depth interviews with 47 small business owners across Victoria and New South Wales in the context of the 4 yearly review of modern awards.
- Consultation with other government agencies – the Commission continues to consult with other government agencies to help develop a cohesive approach to providing information services to small business, to reduce duplication and to provide clearer information.
- Permission to appeal pilot – under this pilot a single Full Bench heard multiple applications about whether to grant permission to appeal in unfair dismissal and general protections matters. The aim is to reduce the time and cost burdens on all parties. See Permission to Appeal In Focus on page 81.
- Unfair Dismissal Practice Note and plain English information materials – in late 2014 the Commission released an Unfair Dismissal Practice Note and a series of documents to assist unrepresented parties when preparing for unfair dismissal hearings or conferences. Each of the documents (including an outline of argument, statement of evidence and document list) is filled out like a form so that the party provides responses to questions which a Member must consider under the Fair Work Act when determining an unfair dismissal application.
- Usability review of the Commission's website – in the first half of 2015 the Commission undertook an extensive usability review of its website. The review considered whether small businesses, along with other stakeholders, could easily find information and materials on the website.
- Online video of a mock hearing for unrepresented parties – in late 2015 the Commission will develop an online video-based unfair dismissal mock hearing for unrepresented parties to assist them to prepare for hearings or conferences.

The Commission will continue to consult broadly with small business to ensure that it adapts and responds to their particular needs. See Working with Small Business In Focus on page 32.



In Focus

Working with Small Business

Over the past 12 months the Fair Work Commission has been consulting with small business to seek feedback on ways to make navigating the workplace relations legal framework less difficult.

‘They tend to be unfamiliar with the way the Commission operates,’ Commission conciliator Terry Bourke said. ‘They focus very much on what I think most people would agree is a tough gig – running a small business.’

“ It’s about looking at all those different touch points and asking ourselves ‘Is this the right information provided at the right time and in the right way?’

Louise Clarke, Director, Client Services.

One of the success stories for small business is the telephone conciliation model for unfair dismissal matters. This allows parties to participate in proceedings at their home or workplace, without having to come in to a Commission office.

‘If someone who runs a small business has to come in to the Commission for a conciliation conference it’s almost impossible to continue with their business,’ Terry Bourke said. ‘So this is a massive bonus for small business and many small business operators have actually said that.’

With these types of benefits in mind and because of its acceptance, ease-of-use and high resolution rate, the Commission has now extended the telephone conciliation model to general protections matters involving dismissal.

SCAN FOR VIDEO



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Alternative dispute resolution models, such as determinative conferences, are also being more widely used with a critical focus on streamlining processes and reducing formality to ensure matters are dealt with efficiently.

The Commission also maintains an ongoing dialogue with small business groups, and other government agencies touching this sector of the Australian economy, to ensure its processes are appropriate for these users.

The Commission's website is the first point of contact for most small businesses and their feedback is actively sought.

A small business portal can be reached with a single click from the homepage, providing easy access to information on topics relevant to small business, such as unfair dismissal.

Recently, over 180 small businesses also provided their valuable feedback as part of the Commission's usability review of its website. This review will guide future development of the website.

The Commission regularly seeks feedback from small business through the feedback 'hot-button' on its website and surveys participants in telephone conciliation conferences regarding their experiences. Overall, the feedback about conciliation conferences in particular has been overwhelmingly positive.

“ 80 per cent of the people who respond to the survey say that overall they're satisfied or very satisfied with the whole process and how it was explained and how they were helped to navigate the system.

Louise Clarke, Director, Client Services.

'It really is about looking at every single one of our touch points. We're looking at our letters, our phone calls, what we say, when, how and why. These are small but incremental improvements in looking at what does it mean for a small business,' Louise Clarke said. 'And that's our way of making sure that our services are provided in ways that are informal, quick and provide fair and just outcomes.'

Australian Workplace Relations Study

The AWRS *First Findings* report was published in late January 2015. Further reports and research papers featuring AWRS data were published throughout the year with all data available by June 2015. The Commission also held a one-day workshop and a two-day conference from 24–26 June 2015 where various presenters delivered invited and submitted papers featuring analysis of the AWRS data.

In late June 2015 the Commission released data in a range of user-driven applications which provide a public resource to those wishing to undertake their own analysis. See Australian Workplace Relations Study In Focus on page 35.

Promoting cooperative and productive workplace relations

The Commission has initiated the 'New Approaches' pilot program to respond to its new statutory function to promote cooperative and productive workplace relations and prevent disputes. As part of the program, Commission Members are available to provide specialised training on bargaining and dispute resolution at the workplace level. The Commission has seen some positive results from the pilot program and the development of the more formal program is underway. See New Approaches In Focus on page 37.

Research community

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In collaboration with universities across Australia and as part of its Workplace Relations Education Series, the Commission held lectures in Brisbane, Perth, Melbourne, Hobart and Adelaide during the reporting period. A lecture had previously been given in Sydney in the first half of 2014. Lecture topics included pay equity, the role of consultation in a globalised environment, employee communication and engagement, and productivity and industrial relations policy. A number of lectures have been recorded and are available on the Commission's website. The Commission's invited paper series also continued during the reporting period, featuring papers on relevant workplace relations issues. The papers are published on the Commission's website.

Qualitative research

Productivity and innovation in enterprise agreement clauses: an overview of literature, data and case studies at the workplace level was published on the Commission's website in late 2014.

The report provides an overview of literature and Australian data on workplace productivity and presents eight qualitative case studies on enterprise agreement clauses nominated by employers, employees or their representatives as productivity enhancing or innovative.

Research

The Commission has initiated research to map the location and business needs of parties to determine how it can provide services that more effectively and efficiently meet their needs. To date, the geomapping research has tested and mapped data using an existing software tool. A paper identifying and analysing service usage and traits across Australia is being developed to assist the Commission to determine the next steps for this initiative.



In Focus

Australian Workplace Relations Study

Academic and industry researchers have welcomed the release of data from an important study into the evolving Australian labour market.

The *Australian Workplace Relations Study (AWRS)* is the first study of its type in 20 years. At a conference in Melbourne in late June to discuss early research utilising AWRS data, researchers were enthusiastic.

“ This is a great addition to the available information. I expect and assume that it will be a great feed into research for years to come.

Dr Josh Healy, University of Melbourne.

The AWRS is a large cross-sectional survey of around 3000 employers and approximately 8000 of their employees. A key benefit of this study is that it allows employer data to be linked with employee data, which opens up many opportunities for researchers to explore a range of dynamics in the labour market. The AWRS collected data across wide areas of interest, including:

- employment practices
- enterprise operations
- indicators of performance
- wage setting and outcomes, and
- employee experiences.

Image: Professor Sue Richardson and other panel members discuss future research priorities at the AWRS Conference in Melbourne in June 2015.

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In Focus continued

The AWRS was conducted by the Commission in response to calls from key stakeholder groups for the need for research of this kind. The Commission worked closely with a steering committee with representatives from:

- industry – including the Australian Industry Group, Australian Chamber of Commerce and Industry and the ACTU
- government – including the Australian Bureau of Statistics, Fair Work Ombudsman, Department of Employment and the Workplace Gender Equality Agency, and
- academia – including the Association of Industrial Relations Academics and the Australian Labour and Employment Relations Association.

The steering committee played a key role in determining the scope, content and procedures for the study including the preparation of the survey questionnaires.



There was a lot of shared ground when we got down to looking at individual questions. It was actually a fairly cooperative discussion in that all of us were after the same information really and for broadly similar objectives.

Julie Toth, the Australian Industry Group.

Conducting the AWRS was a complex task. A critical challenge for the research was recruiting a representative range of enterprises and employees to participate in the study. Another significant challenge was administering the surveys to participants in varying circumstances. Ultimately, surveys were administered online, by phone and by paper and pen.

In January 2015 the Commission published the AWRS First Findings Report, which provided an initial snapshot of the data collected in the study. The full data set is also now available.

In June 2015 researchers gathered in Melbourne for the AWRS Conference, where exploratory academic papers based on their use of AWRS data were presented.

‘Often with data sets like this the more they get used the more they get used – it opens up ideas for other people,’ Linton Duffin, from the Commission, said. ‘We anticipate a significant number of academics will use the data to do work in a whole range of areas around gender pay gaps, workforce productivity and workforce engagement issues.’



In Focus

New Approaches

The Fair Work Commission's 'New Approaches' pilot program is assisting a range of businesses and organisations to develop new collaborative relationships with their workforces.

'The New Approach is about cooperative and productive workplaces and our role as a Commission in facilitating that objective,' Commissioner Roe said. 'It's about trying to get a focus on those common interests and to try to get a better way of dealing with the problems that arise.'

Deputy President Booth describes the Commission's role as that of a guide and mentor, rather than trying to solve a problem. 'So facilitating the parties doing it themselves,' she said, 'and doing it in a way that develops the capacity of the parties to move forward without continual reference back to the Commission.'

At Orora Fibre Packaging, adopting 'New Approaches' has transformed the business. The business and workforce now collaborate to develop and implement ideas to improve productivity and efficiency. In the process it has had a significant impact on the business' financial position. A workplace that previously experienced a very high level of industrial disputation has not had any matters before the Commission for over two years. The Commission has however been active on the sidelines and in the background with both the union and the company.

“ The work has really been done on a consultative basis around supporting the AMWU and Orora in how do we make sure that we both stay committed to this journey.

Brian Lowe, Orora.

Image: Participants at the enterprise bargaining and dispute prevention and resolution workshops conducted in partnership with the Industrial Relations Society of New South Wales as part of the 'New Approaches' pilot program.

continued on the next page

SCAN FOR VIDEO



In Focus continued

'New Approaches' is also at work at House with No Steps, a leading not-for-profit, providing services and support to people with disabilities. The organisation employs nearly 2500 people to deliver a wide range of services in Queensland, New South Wales and the ACT.

House with No Steps and the Australian Services Union were drawn to the interest-based approach after a bitter industrial dispute over redundancies in the organisation's Sydney region. While the dispute settled in the Commission, neither of the parties were really satisfied with the outcome.

'I approached the parties and said would you like to talk about relating to one another in a different way? Are you interested in having a look at that?' Deputy President Booth said.

The organisation and union both agreed to explore a new style of engagement with the Commission's help, through the 'New Approaches' program.

'Our interests and our staff's interests and the union's interests actually align very substantially,' Andrew Richardson, from House with No Steps, said. 'There will always be some differences but we are 90 per cent aligned, not 90 per cent divergent.'

The discussions began between senior management and senior union officials. The workshops were facilitated by the Commission and quickly spread throughout the organisation to involve line managers and employees at individual workplaces.

'It's those discussions that are the most important in ensuring we have engagement at a local level,' Natalie Lang, from the Australian Services Union, said.

'New Approaches' is a far more informal, and involved, style of engaging with the Fair Work Commission.

'Not all parties will be suitable,' Vice President Catanzariti, who oversees the program for the Commission, said. 'It will require a change of thinking by both the employer and the employee unions involved and then they'll have to be prepared to work in a different way with us.'

'We would like to become involved – where the parties want us to – with their approach to dispute resolution in the workplace, in the way they relate to one another, in enterprise bargaining and the way that they plan for bargaining,' Deputy President Booth said.

The essence of 'New Approaches' is that participation in the program must be voluntary with a willing commitment from all parties. The process can, at times, be challenging. Trust between parties and belief that the process will assist in resolving these matters is critical.

The Commission approaches parties it believes might be suitable for 'New Approaches', and employers and employees are free to approach the Commission to discuss the program. Initial contact can be made through a Member of the Commission.



Case Study

Orora

After two years in action, a new collaborative relationship between Orora Fibre Packaging and its workforce has helped to place the business on a firm footing for the future.

The Fair Work Commission has played an important role in helping to build that relationship through its 'New Approaches' pilot program.

Just two years ago Orora Fibre Packaging's business performance was well below expectations.

Production costs were too high and the company was losing money. It faced a compelling case to start doing things differently in the business. But it was hard for change to be implemented, as the company's relationship with its employees had deteriorated. On all sides it had become combative and untrusting.

“ It was the most adversarial we had out of all our sites and all our membership. The two years prior we would have had a least 20 hearings before the Fair Work Commission.

Lorraine Cassin, the Australian Manufacturing Workers' Union.

Brian Lowe, from Orora, agrees the relationship was poor. 'It was quite a confrontational type of environment and interaction, rather than one that looked at "We've got issues ahead of us – how do we deal with them?"' he said.

Orora sought the assistance of the Commission to help it build a new, collaborative relationship where the workforce could actively contribute to the success of the business.

Image: Orora Fibre Packaging has entered a new era of workplace relations with the support of the Commission's 'New Approaches' pilot program.

continued on the next page

SCAN FOR VIDEO



Case Study continued

Through its 'New Approaches' program the Commission assists businesses to develop a different approach to relating to, and dealing with, its employees.

'The New Approach is about cooperative and productive workplaces and our role as a Commission in facilitating that objective,' Commissioner Roe said. 'It's about trying to get a focus on those common interests and to try to get a better way of dealing with the problems that arise.'

The Commission convened informal discussions between the company and union, which grew into a series of facilitated frank discussions about the state of the business and the changes which might be needed to restore its competitiveness.

“ There was quite a lot of stuff that we agreed on. Which was a shock to everybody. Most of the quick fixes could be agreed on very, very quickly.

Lorraine Cassin, AMWU.

A key issue for the new relationship was for management and workers to each put aside past biases and issues. Developing and maintaining trust was a critical part of building a productive relationship. The relationship has been maintained even with a change of management, with Brian Lowe committed to continuing the 'New Approach' engagement. 'In the first 12 months we made some significant improvement to the point where we are comfortable today that we are over the threshold,' Brian Lowe said.

Commissioner Roe said: 'I'm absolutely convinced that a lot of Australian manufacturing jobs and a successful business have been saved and improved as a result of the process.'

There have been no disputes before the Commission in the past two years. The Members of the Commission remain involved with the parties in an advisory role, to keep them focused on mutually beneficial outcomes and avoid problems escalating to disputes.

'They're working together in the centre,' Deputy President Booth said. 'The Commission is more on the outside, providing them with an opportunity to bounce things off when they get tricky.'

Brian Lowe acknowledges the important role the new relationship with Orora's workforce has played in the turnaround of the business. 'We would not be where we are today if it wasn't for the different approach we've taken and also the role that the Fair Work Commission has played,' he said.

3



Performance reporting

3 Performance reporting

Overview

In 2014–15 the Commission met all of the KPIs set out in the Portfolio Budget Statements and introduced three pilot programs which saw improvements in the timeliness of dealing with applications and the satisfaction rates of parties.

Other highlights included an 18-day reduction in the time taken to hold unfair dismissal conciliation conferences and, for the first time, 100 per cent voluntary compliance with registered organisations lodging their Annual Returns on time.

Legislative amendments

There were no legislative changes which affected the Commission during 2014–15.

Workload

Inquiries from the public

A significant part of the Commission's resources are dedicated to dealing with inquiries from the public, which come via its website, telephone inquiry line, through emails or visits to its offices in each capital city.

For a full list of Commission offices see Appendix M.

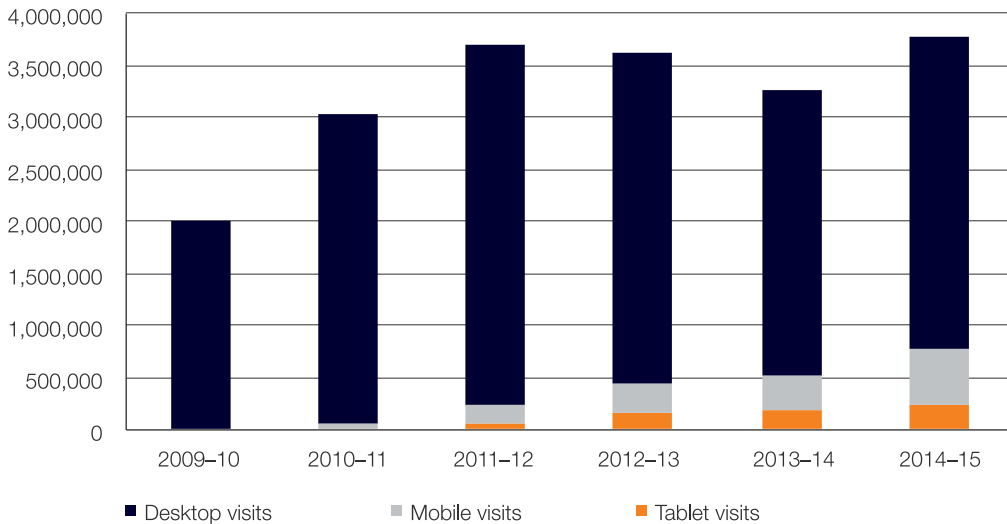
Website visits

The Commission's website is the primary source of information for the community about its work, including information about the legislative framework, how applications are made and determined and outcomes of Commission activities.

As noted in Figure 3, the website recorded 3,766,398 visits in 2014–15, which is an increase of 15.5 per cent (3,259,939) recorded from the previous year. Visits are increasing on both mobile phone and tablet devices (up by 65 per cent and 18.9 per cent respectively). This change reflects broad technological shifts in the community towards using these devices. The video content made available on the website and through the Commission's YouTube channel was viewed more than 36,550 times.

Further work continues on the Commission's website to improve its functionality and usability. More than 1000 internal and external users participated in interviews and surveys reviewing the design, experience, functionality and content in 2014–15. The results of these interviews, together with survey responses, have been collated in a report outlining suggested improvements to the website in order to support a broad range of users as they access the information they need. Further work will be undertaken in relation to the Commission's website in 2015–16.

Figure 3: Website visits



For source data see Table G2.

Telephone inquiries

The Commission also provides telephone information services. Commission staff are available to answer queries about the Commission's functions, activities, processes and procedures. Calls can be made to the Commission via a national telephone inquiry number (1300 799 675) with different options available to callers based on topic areas. Calls are also made directly to Commission offices; to various staff support teams such as the unfair dismissal conciliation support team or directly to the Chambers of a Member dealing with a case.

In 2013–14, the Commission progressively integrated the national telephone inquiry number with all of its offices and the conciliation support team. This new centralised system allows the Commission to better track and monitor call volumes, wait times and activities and to provide more detailed reporting on these calls. Reporting for the year 2014–15 shows the first full year of recording the number of inquiry calls under the new system.

The Commission received 207,749 telephone inquiries through these three streams during 2014–15. Eighty six per cent (179,012) of these calls were made via the Commission’s national telephone enquiry number (1300 799 675). Of these, 44 per cent (78,856) elected to end the call after listening to a message referring their query to another appropriate agency such as the Australian Tax Office. Commission staff answered 59,310 telephone queries with the median wait time for a call to be answered of three minutes and eight seconds. Fifty six per cent of callers self-identified their query as relating to the making or progress of an unfair dismissal application.

Commission staff from across the nation answer calls, with the workload spread around the country to accommodate different time zones, as well as peaks and troughs in the flow of incoming calls.

Applications lodged

In 2014–15 the Commission received 34,152 applications, which was a decrease of 7.9 per cent from 2013–14. Applicants select a Commission office when they lodge an application, and this is usually the state or territory capital in which they are located. The majority of applications are made in either Melbourne or Sydney; 35.8 per cent of all applications are lodged in Melbourne and 26.46 per cent in Sydney.

Figure 4: Applications lodged, hearings and conferences, and decisions and orders published

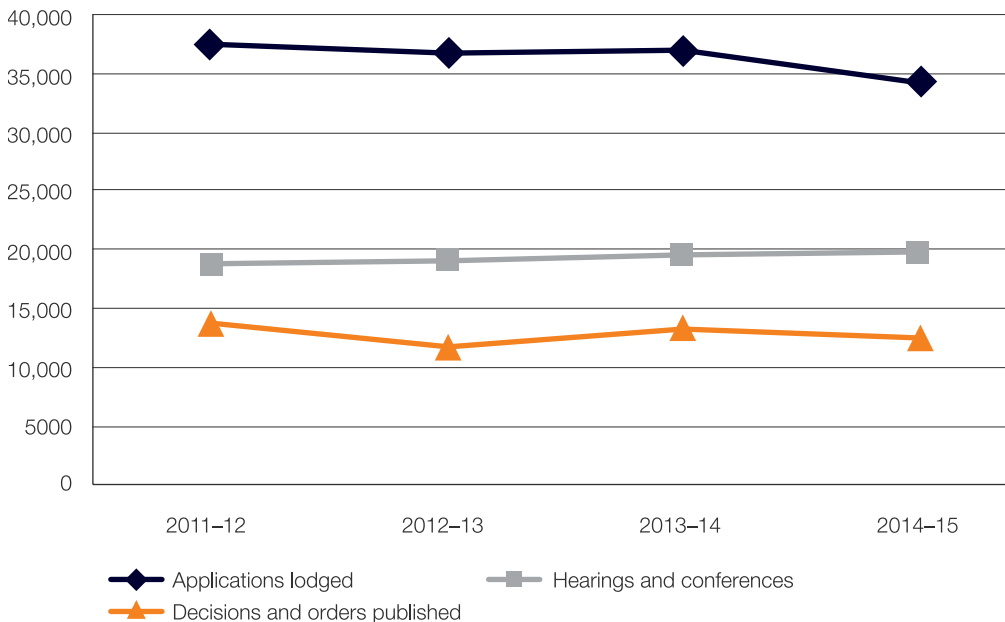
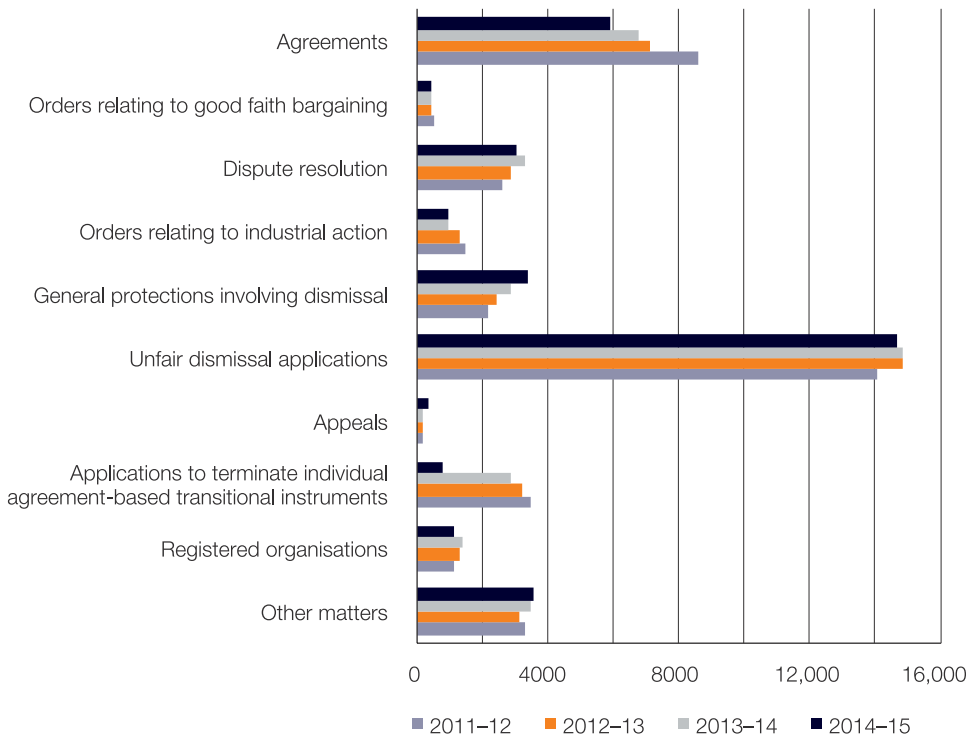


Table 1: Lodgments by location (Registry of lodgment)

Location	2011–12	2012–13	2013–14	2014–15	% of lodgments
Adelaide	2378	2225	2174	1977	5.79
Brisbane	5894	5963	5692	5624	16.47
Canberra	819	754	625	513	1.50
Darwin	314	390	409	439	1.29
Hobart	614	633	658	637	1.87
Melbourne	14,826	13,608	13,857	12,227	35.80
Newcastle	81	314	266	123	0.36
Perth	3169	3675	3614	3518	10.30
Sydney	9323	9014	9716	9035	26.46
Wollongong	26	40	55	59	0.17
Total	37,444	36,616	37,066	34,152	



The Commission received 34,152 applications this year, and conducted a total of 19,922 hearings and conferences either by telephone, video link or in a hearing or conference room.

Figure 5: Case load by matter type

For source data see Table G3. For a full breakdown of numbers of applications by sections of legislation see Table G4.

This does not mean that applications lodged in a particular location are dealt with by either the Members or staff in that location. In 2014–15 the Commission continued to explore different ways of conducting matters to improve services to the parties and the community generally by making efficiency improvements.

Commission staff receive and administer applications work on a national workload allocation system, which assists to manage peaks and troughs of work in different locations. This approach has been enhanced with the implementation of the national telephone inquiry service involving staff across the country, and an increase in administrative work-sharing. In 2014–15, 15 per cent of applications were processed in a location other than where the application was lodged. Fifty per cent of all applications were processed in under one working day, with 88 per cent processed in under two days. The median application processing time of one business day was maintained in 2014–15.

Unfair dismissal applications that are initially dealt with over the telephone by a staff conciliator are allocated according to the availability of the parties and conciliators, rather than by their location. Refinements to this model of work allocation have contributed to a significant decline in the time between the lodgment of an application and the conduct of a conciliation conference in 2014–15.

Three pilot programs were trialled in 2014–15 aimed at improving the Commission's services in applications for enterprise agreements, general protections and in permission to appeal a decision of a Member. These pilot programs involved changes in work distribution, other than by location of lodgment, which also saw improvements in the time taken to deal with these applications.

Trends in application types

The Commission's overall case load for 2014–15 decreased by 7.9 per cent. This decrease in applications was largely a result of a significant decrease in the number of applications made to terminate individual agreement-based transitional instruments, which decreased by 73 per cent to 767 applications from 2841 in 2013–14. The number of applications for the approval of enterprise agreements fell by 12.3 per cent, with 832 fewer applications made.

Individual matters continue to make up a significant proportion of the Commission's workload. Consistent with previous years, the greatest number of applications made to the Commission are for an unfair dismissal remedy, which account for 42.8 per cent of all applications. This year showed a slight decline of 1.2 per cent in the number of unfair dismissal applications received. Applications from individuals under the general protections provisions of the Fair Work Act increased by 17.5 per cent in 2014–15, accounting for 9.9 per cent of all applications made. The Commission conducted a pilot program in 2014–15 to assist to manage this increase in applications. This is discussed on pages 65–69.

Applications to deal with disputes under agreements or awards fell by 13.6 per cent in 2014–15 compared with the previous year, while applications for the Commission to deal with bargaining disputes increased slightly, by 12.8 per cent on the previous year, to 476 applications. Applications relating to industrial action continue to decline with 3.4 per cent fewer applications made in 2014–15 compared with the previous year, and 32.6 per cent fewer applications than those made in 2011–12.

There was also an increase in the lodgment of appeal applications made in 2014–15. Three hundred and thirty-six applications were made compared with 214 in the previous year.

Hearings and conferences

In 2014–15 the Commission held 19,922 hearings and conferences, a slight increase from the previous year. Hearings and conferences are held around Australia, including in the Commission's capital city offices, in regional locations, and by telephone and video conference. In some cases Members can also make decisions by requesting parties to submit their materials in writing so a decision can be made 'on the papers'.

Commission Members are increasingly holding hearings and conferences by telephone and video conference. This means that the parties often do not have to leave their home or workplace in order to participate and assists to improve the overall timeliness of dealing with matters.

Trends in Commission sittings

Trends in the Commission's workload and sittings are illustrated in Figure 6. The data shown is an extracted subset of data in Figure 5 and Tables 1 and 2 and provides an overview of the sittings for four of the Commission's significant case types. Many of the major processes the Commission undertakes, such as the review of modern awards and the annual wage review, commence in accordance with statutory requirements, rather than by application, and so the work associated with these major functions is not represented in data on case load types. These matters are referred to as legislative reviews.

Figure 6 demonstrates the impact that particular matters may have on the Commission's workload, which is not able to be reflected in other data regarding applications and lodgments. Refer to Appendix F for the full methodology.

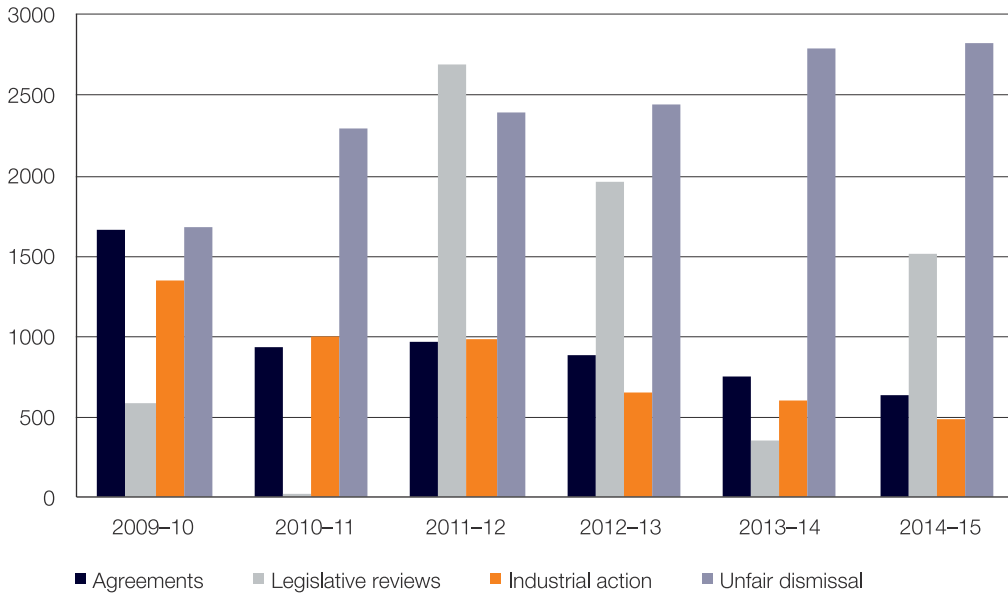
The most recent period continues the general trend of an increase in sittings for unfair dismissal matters and a decline in the number of sittings for matters relating to agreements and industrial action. This generally corresponds with observed shifts in applications to the Commission during this time.

The peaks and troughs over recent years for sittings relating to legislative reviews correspond with established timetables under the Fair Work Act, largely relating to award modernisation matters. The sharp increase in sittings for legislative review matters in 2014–15 can be attributed to the conferences, mentions and hearings undertaken by the Commission in the performance of the 4 yearly review of modern awards, pursuant to Part 2–3, Divisions 4 and 4A of the Fair Work Act.

Table 2: Hearings and conferences by location

City/Town	2013–14	2014–15
Adelaide	284	312
Brisbane	1359	1145
Canberra	214	124
Darwin	41	38
Hobart	70	103
Melbourne	3653	3479
Newcastle	230	154
Perth	727	627
Sydney	2572	2650
Wollongong	133	216
Other places	356	244
In Chambers	6028	5690
Telephone ¹	3198	3809
Video	755	1331
Total	19,620	19,922

¹ Does not include telephone conferences conducted by administrative staff.

Figure 6: Number of sittings for various types of applications, 2009–10 to 2014–15

Methodology is at Appendix F.

Timeliness benchmarks

On 1 July 2012 the Commission introduced timeliness benchmarks for the delivery of reserved decisions, and for dealing with applications for the approval of agreements. The benchmarks apply to all hearings that commenced after 1 July 2012 and all applications to approve agreements received after this date.

The Commission introduced timeliness benchmarks for appeal matters in the second half of 2013. The benchmarks measure the length of time it takes to process an appeal from lodgment to first hearing, and to deliver reserved decisions. The benchmarks apply to all appeals lodged after 1 July 2013.

These benchmarks are intended to set tight performance standards and the Commission expects that there will be circumstances where it does not meet these high standards; however the Commission is committed to improving timeliness and publicly reporting on its performance.

Reserved decisions

In 2014–15 the Commission increased the total number of reserved decisions finalised by 26 per cent from 1444 decisions finalised in 2013–14 to 1819 in 2014–15. This was achieved while improving overall timeliness for the delivery of reserved decisions.

Reserved decisions benchmarks

- 90 per cent of all reserved decisions are to be delivered within 8 weeks
- 100 per cent of all reserved decisions are to be delivered within 12 weeks.

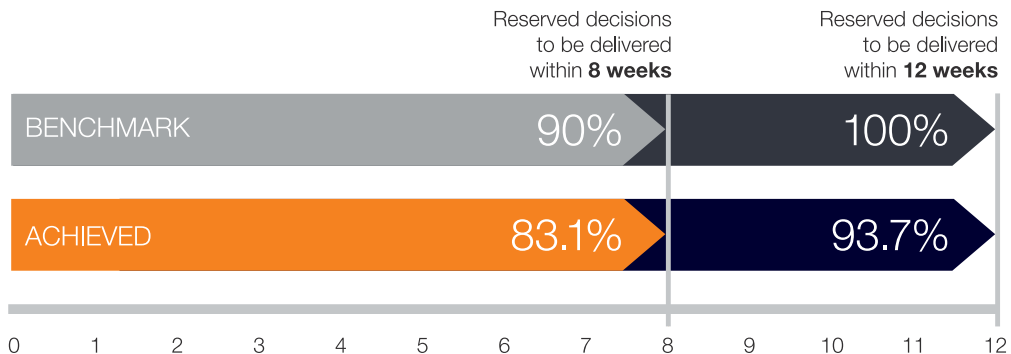
The measure begins from the final day of the last hearing or the date of receipt of the last written submission, whichever is later.

Figure 7 shows the Commission's performance against the reserved decisions benchmark.

The results achieved for July 2014 to June 2015 were:

- 83.1 per cent of reserved decisions were delivered within 8 weeks
- 93.7 per cent of reserved decisions were delivered within 12 weeks.

Figure 7: Performance – reserved decisions benchmarks



Agreements

The benchmarks for agreement finalisation are:

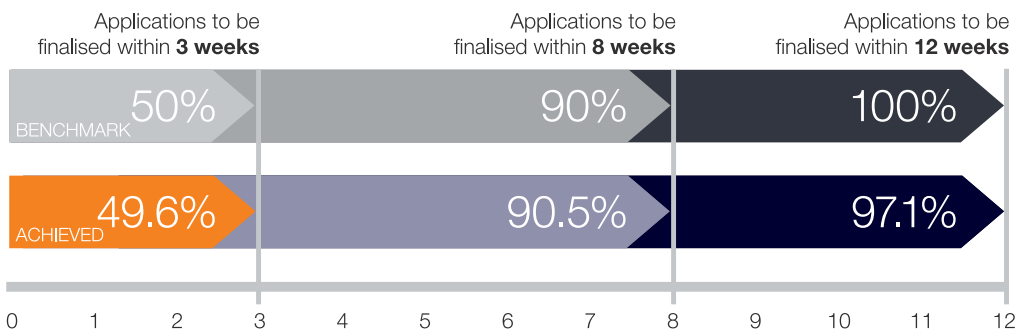
- 50 per cent of all agreements finalised within 3 weeks
- 90 per cent of all agreements finalised within 8 weeks
- 100 per cent of all agreements finalised within 12 weeks.

The measure is from lodgment to the date of the decision to approve (or not approve) the agreement. Agreement applications that are withdrawn or dismissed for another reason are not included.

Figure 8 shows performance against the benchmarks for agreement finalisation in 2014–15 as follows:

- 49.6 per cent were finalised within 3 weeks
- 90.5 per cent were finalised within 8 weeks
- 97.1 per cent were finalised within 12 weeks.

Figure 8: Performance – agreements benchmarks



Appeals

In 2013 the Commission expanded benchmarking to include appeal applications made under s.604 of the Fair Work Act. The benchmarks applied to applications made on or after 1 July 2013. Therefore, 2014–15 is the first year with a full year’s data on the appeals benchmarks.

In this reporting period the Commission also introduced a Permission to Appeal Pilot, in which the threshold issue of whether permission to appeal is granted is dealt with before parties have to prepare materials for a hearing on the merits of the appeal.

Appeal lodgment to first hearing benchmarks

- 90 per cent of all appeals listed within 12 weeks
- 100 per cent of all appeals listed within 16 weeks.

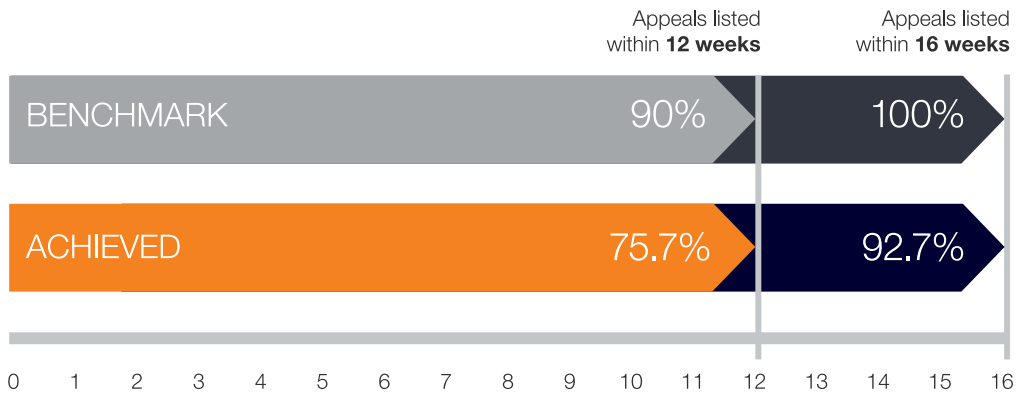
The measure commences from the day the application is lodged and measures the time between lodgment and the first appeal hearing. Matters are included in the measurements after the appeal is decided.

The results achieved for July 2014 to June 2015 were:

- 75.7 per cent of appeals were listed within 12 weeks
- 92.7 per cent of appeals were listed within 16 weeks.

This is lower than the benchmarks met in 2013–14 and is a reflection of a greater number of finalised matters compared with the first year of reporting.

Figure 9: Performance – appeals – lodgment to first hearing benchmarks



Appeal reserved decisions

- 90 per cent of all appeal reserved decisions delivered within 8 weeks
- 100 per cent of all appeal reserved decisions delivered within 12 weeks.

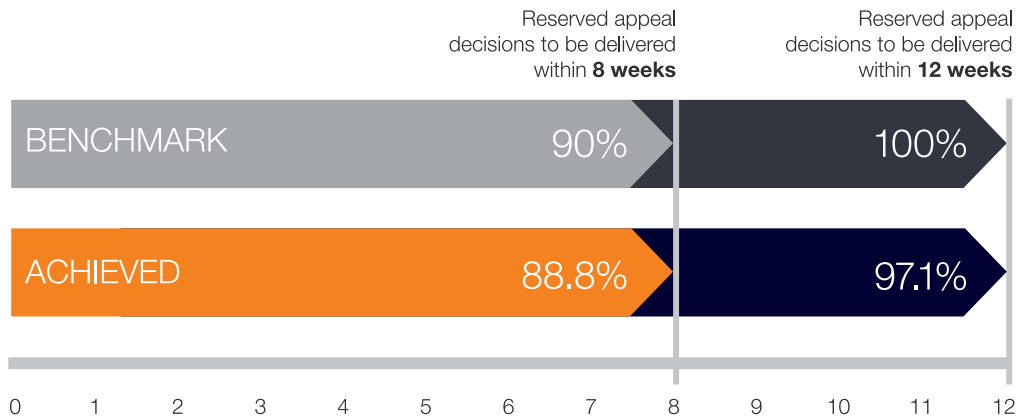
The measure commences from the final day of the hearing or the date of receipt of the last written submission, whichever is later.

The results achieved for July 2014 to June 2015 were:

- 88.8 per cent of appeals were listed within 8 weeks
- 97.1 per cent of appeals were listed within 12 weeks.

More reserved decisions were delivered in 2014–15 than in the previous year, with similar timeliness outcomes.

Figure 10: Appeals – reserved decisions benchmarks



Resolving disputes

The Commission's dispute resolution role under the Fair Work Act encompasses two key areas:

- Disputes arising from provisions in modern awards, agreements, employment contracts and public determinations, and disputes arising from instruments continued under repealed legislation such as workplace agreements.
- Disputes arising from general protections and unlawful termination applications.

Disputes arising from awards, agreements and contracts

The majority (97.4 per cent) of disputes referred to the Commission for resolution under awards, agreements and contracts are made under s.739 of the Fair Work Act. Dispute applications fell by 13.6 per cent in 2014–15.

Applications of this type can be made by an individual covered by the award, agreement or contract; by a representative of employees or by an employer. It is important for the parties for these disputes to be resolved quickly and in 2014–15 the Commission achieved a slight decrease in the number of days between the lodgment of a dispute application and its resolution.

Commission Members can assist to resolve these disputes in a number of ways including by conciliation, mediation, expressing an opinion or making a recommendation. Some agreement terms empower the Commission to arbitrate a dispute with a binding determination.

Table 3: Dispute applications – lodgments

Type of application	No. of applications			
	2011–12	2012–13	2013–14	2014–15
s.526 – Application to deal with a dispute involving stand down	29	19	18	17
s.699 of repealed WR Act – Application to Fair Work Australia to have an alternative dispute resolution process conducted	11	4	13	2
s.709 of repealed WR Act – Application to Fair Work Australia to have a dispute resolution process conducted under a workplace agreement	319	162	69	37
s.739 – Application to deal with a dispute	1643	2124	2366	2078
s.739 – Application to deal with a dispute in relation to flexible working arrangements	27	37	50	41
Total	2029	2346	2516	2175



Case Study

Savage River Mine

An extended conciliation conference convened by the Fair Work Commission on Tasmania's north-west coast was the key to resolving a wage dispute at the Savage River Mine.

The Savage River iron ore mine, operated by Grange Resources, is on Tasmania's rugged west coast. The nearest population centre is the regional city of Burnie, which is a two-hour drive away.

The enterprise agreement covering the mine allows for annual negotiated wage outcomes. However, last year the workforce and company could not agree on a wage increase.

Under the terms of the enterprise agreement they requested assistance from the Commission to break the deadlock.

The Commission determined that given most of the parties were based in and around Burnie the best option was not to bring everyone to its premises in Hobart or Melbourne, but to find a location there.

The Commission rented facilities in the local civic centre to ensure that the union's officials and delegates, and the company representatives, could all participate in the discussions on neutral ground.

“ We really needed that sort of interaction – that sort of understanding – and I think people saw the commitment that was involved. It was really valuable having it here in Burnie, no question.

Ben Maynard, Grange Resources.

Image: Operations at the Savage River Mine on Tasmania's west coast.

continued on the next page

SCAN FOR VIDEO



Case Study continued

Had the conciliation occurred in Hobart or Melbourne some participants may not have been able to take part.

‘A phone conference or a videoconference would not have been sufficient to take the parties forward on this matter,’ Robert Flanagan, from the Australian Workers Union, said. ‘It’s about that interaction and body language that people pick up on.’

Commissioner Lee, who chaired the conference said: ‘It was far better that I was able to step into their space; less time off for all involved and that’s really what we are here to do. I think in the neutral environment that was able to be created through the Fair Work Commission chairing these discussions it enabled the exchange of information which enabled both sides to take stock of what the real situation was.’

Like all iron ore producers the Savage River Mine suffers when the iron ore price falls, as it has dramatically in the past year.

“ We saw it halve in price around the time of that negotiation. It puts the business in a very marginal position.

Ben Maynard, Grange Resources.

Over a lengthy conciliation process the company and workforce were involved in joint discussions chaired by Commissioner Lee and in individual sessions with the Commissioner. ‘He heard from both sides on what their positions were and what their concerns were,’ Ben Maynard said.

‘They had a lot of information that they needed to share,’ Commissioner Lee said. ‘They needed a trust environment – a neutral space – to allow that to occur. I was able to provide assistance by way of a reality check for both sides as to what might be possible.’

Over the course of the day a position was reached that was acceptable to both sides and the matter was resolved. The parties each recognise the important role that Commissioner Lee played in reaching that settlement.

‘During that process the Commissioner was able to identify strengths and weaknesses in our position and we guess the same with the company,’ Robert Flanagan said.

‘I think there was some real value in being able to do that with the Commissioner being face-to-face with the people,’ Ben Maynard said. ‘It was a really strong conciliation process.’

The workforce accepted the conciliated outcome and work at the mine has proceeded as normal.



Case Study

House with No Steps

A close, collaborative relationship with its workforce is helping House with No Steps to provide better support for people with disabilities and respond to the challenges of the new National Disability Insurance Scheme.

‘If we’re not working constructively and openly with our staff to work out how to seize those opportunities and respond to those challenges then we are just not in good shape,’ Andrew Richardson, from House with No Steps said.

House with No Steps is a leading not-for-profit organisation providing support services for people with disabilities in Queensland, New South Wales and the ACT. It operates businesses that employ the disabled, training and community engagement programs and a range of supported living facilities.

A bitter industrial dispute over redundancies in its Sydney region became a catalyst in creating a new, closer relationship between management and the workforce.

“ No-one was particularly happy with the outcome of that dispute – not the organisation and not the union members. That’s what prompted the discussion about a ‘New Approaches’ style of engagement.

Natalie Lang, the Australian Services Union.

‘New Approaches’ is a pilot program run by the Fair Work Commission that helps build cooperative relationships in the workplace, by focusing parties on common interests and common goals. Deputy President Booth suggested to the parties that the program might help them to develop a more collaborative relationship.

Image: Workers at a House with No Steps facility in Sydney.

continued on the next page

SCAN FOR VIDEO



Case Study continued

The organisation, union and workforce agreed to work together with Members of the Commission to forge a new style of relationship. But the parties entered the process with some degree of apprehension, as it required them to set aside ideas and potential biases.

‘You can say leap-of-faith, you can say we buried the hatchet,’ Andrew Richardson said. ‘However you put it, you’ve got to take a risk. But in our view it was a risk that was absolutely worth taking.’

The Commission facilitated a number of ‘interest-based’ discussions and workshops that focused the parties on common ground and objectives.

‘Our interests and our staff’s interests and the union’s interests actually align very substantially,’ Andrew Richardson said. ‘There will always be some differences but we are 90 per cent aligned, not 90 per cent divergent.’

The discussions began between senior management and senior union officials. But the workshops, facilitated by the Commission, were quickly spread throughout the organisation to involve line managers and employees at individual workplaces.

‘It’s those discussions that are the most important in ensuring we have engagement at a local level,’ Natalie Lang said. ‘We’ve seen it at a local level because workers have said in a proactive sense, “Here’s something we’d like to see done better” and we’ve had that discussion and seen results.’

Since adopting the program no disputes involving House with No Steps have come before the Commission. The Commission remains actively involved in nurturing the collaborative relationship between the organisation and its employees.

‘The Fair Work Commission’s status and view in the community is really important,’ Natalie Lang said. ‘It’s legitimate, it’s serious business – it’s not seen as fluffy and tinkering around the edges.’

‘I think Deputy President Booth’s involvement was critical,’ Andrew Richardson said. ‘I doubt very much that without her we would have worked our way through the process and got the outcomes we are now seeing.’

Deputy President Booth said: ‘It’s their progress. The Commission has simply provided them with some space to think about it, some models to assess and compare, some tools to use, and then they have gone and done the work themselves.’

House with No Steps credits the ‘New Approaches’ program with helping it to achieve better service delivery, financial outcomes and staff engagement.

‘It’s not so much ‘New Approaches’, it’s just bleeding obvious common sense,’ Andrew Richardson said. ‘If you value your workforce you need to include them, you need to respect them. We’ve come a long way I think in re-learning that.’

Table 4: Dispute applications – timeliness

Type of application	50% of matters				90% of matters			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
s.739 – Application to deal with a dispute – lodgment to first conference (days)	15	15	17	16	38	38	46	45

General protections and unlawful termination disputes

General protections and unlawful termination disputes are a growing part of the Commission's work. The general protections provisions of the Fair Work Act are designed to protect employees from their employer taking adverse action against them for reasons set out in the legislation.

These include:

- having or exercising a workplace right
- freedom of association
- engaging in industrial activity
- workplace discrimination.

The Commission's role within the legislative framework is to assist parties to resolve a dispute in private conferences and in limited cases it can make a determination if both parties agree to the Commission doing so.

General protections disputes

General protections claims are sometimes referred to as adverse action claims. Adverse actions taken against an employee might include:

- dismissing the person
- not giving the person their legal entitlements
- changing the person's job to their disadvantage
- treating the person differently than others
- not hiring the person, or
- offering the person different (and unfair) terms and conditions, compared to other employees.

General protections disputes involving dismissal

If a person believes they have been dismissed in contravention of the general protections provisions, they may apply to the Commission to conduct a conference to deal with the dispute under s.365 of the Fair Work Act. The application must be made within 21 days of the date the dismissal takes effect. The Commission must then deal with the dispute by mediation or conciliation, or by making a recommendation or expressing a view. Such conferences must be held in private.

If the dispute is not resolved during the conference, the Commission must issue a certificate to this effect under s.368 of the Fair Work Act. The certificate allows the aggrieved party to apply within 14 days to the Federal Court of Australia or the Federal Circuit Court of Australia to have the matter determined. Alternatively, the parties can, within the same timeframe, consent to having the dispute arbitrated by the Commission.

The number of applications for the Commission to deal with general protections disputes involving dismissal has increased steadily. This year saw a 17.5 per cent increase in lodgments, compared with an 18.5 per cent increase from 2012–13 to 2013–14.

Table 5: General protections disputes involving dismissal – lodgments

No. of applications lodged ¹		No. of applications finalised		Manner finalised	No. of applications	
2013–14	2014–15	2013–14	2014–15		2013–14	2014–15
2879	3382	2778	3475	Certificate issued	967	1073
				Without certificate issued	1811	2402

¹ 2429 applications were lodged in 2012–13, 2162 applications were lodged in 2011–12.

Table 6 indicates that there has been a slight increase in the time taken to hold a conference in respect of general protections disputes involving dismissal. This may be the result of the overall increase in volume of lodgments. Despite this, the Commission completed its role in the process more quickly in 2014–15 than in 2013–14, with 90 per cent of matters being finalised within 97 days. This represents an 8.5 per cent improvement compared with the previous reporting period.

Table 6: General protections disputes involving dismissal – timeliness

	50% of matters				90% of matters			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
Lodgment to first conference (days)	26	29	29	31	48	56	59	62
Lodgment to finalisation (days) ¹	35	41	41	37	97	111	106	97

¹ Lodgment to finalisation (days) includes matters that were finalised with or without a conference.

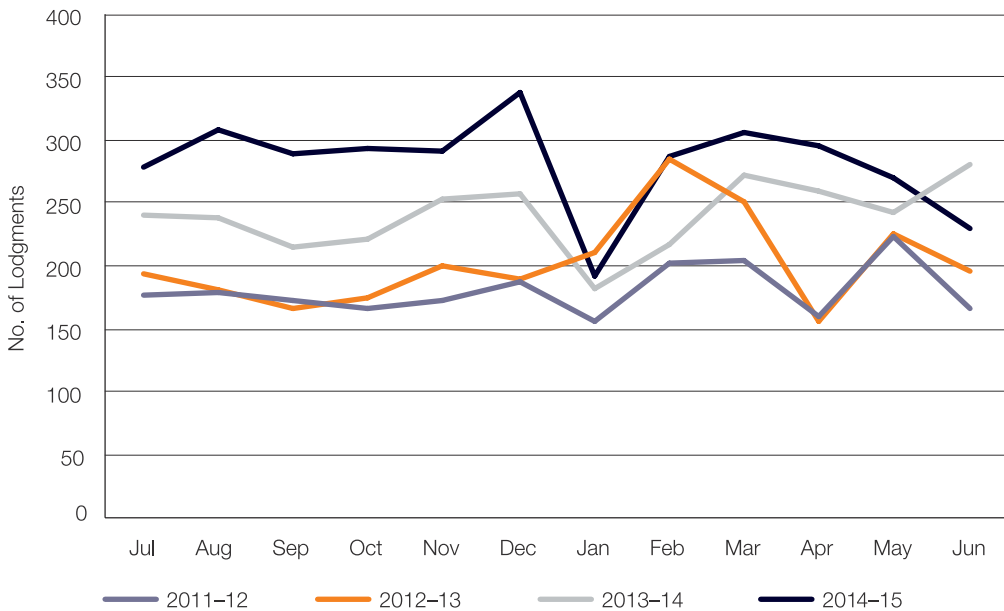
To date very few parties have opted to use the Commission's consent arbitration pathway. Of the 1073 disputes in respect of which a Member issued a certificate, only 16 (1.5 per cent) were submitted for consent arbitration.

Table 7: Applications for consent arbitration of general protections disputes involving dismissal

	2013–14	2014–15
Number	8	16

As demonstrated in Figure 11, the month-by-month statistics on lodgments reflect a peak in December followed by a compensatory dip in January. This is most likely explained by an expected drop in activity over the Christmas/New Year period.

Figure 11: General protections disputes involving dismissal – lodgments – monthly comparison



For source data see Table G8.

General protections disputes not involving dismissal

A worker who believes they have been subjected to adverse action for a prohibited reason, but who still remains employed, may also make a general protections dispute application to the Commission, under s.372 of the Fair Work Act. Where the alleged adverse action is not a dismissal, they have six years from the date of the action to lodge an application.

If attempts to resolve a general protections dispute not involving dismissal are unsuccessful at the Commission, the applicant may apply to either the Federal Circuit Court or the Federal Court to have the matter determined. However, s.375 of the Fair Work Act provides that the Commission's role includes the obligation to advise parties if it believes such a further application would have no reasonable prospect of success.

While there was an increase in the number of general protections disputes not involving dismissal brought before the Commission, the rate of increase has tapered off significantly. As shown in Table 8, there was a 12.8 per cent increase in lodgments over the 2013–14 figures, compared with a 40.4 per cent jump from 2012–13 to 2013–14.

Table 8: General protections disputes not involving dismissal – lodgments

Matter type	No. of applications lodged			
	2011–12	2012–13	2013–14	2014–15
s. 372	598	555	779	879

Compared with previous years, there was a slight increase in the time taken to begin dealing with general protections disputes not involving dismissal, as shown in Table 9.

Table 9: General protections disputes not involving dismissal – timeliness

	50% of matters				90% of matters			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
Lodgment to first conference (days)	23	25	26	29	51	49	50	55

Unlawful termination disputes

Part 6–4 of the Fair Work Act provides protection for workers who fall outside the scope of Part 3–1, creating a scheme very similar to that latter Part. However, the protection for these workers is limited to ‘unlawful terminations’ – that is, instances where they have been dismissed. Behaviour that would be considered ‘adverse action’ under Part 3–1 but does not involve dismissal is not covered.

This difference in scope is due to the constitutional head of power under which each Part is made. Part 3–1 is made under the Commonwealth’s powers to legislate in relation to corporations and matters referred to it by the state governments, but Part 6–4 is made under the Commonwealth’s power to legislate in relation to external affairs, including giving effect to obligations in international treaties. In this case, Part 6–4 embodies the Commonwealth’s commitments under International Labour Organization Conventions to which it is a signatory.

The broad application of the general protections scheme means that not many applicants would need to utilise the unlawful termination provisions. This is reflected in the considerably smaller number of unlawful termination lodgments when compared with general protections disputes of either kind (refer to Tables 10 and 11).

Table 10: Unlawful termination disputes – lodgments

No. of applications lodged ¹		No. of applications finalised		Manner finalised	No. of applications	
2013–14	2014–15	2013–14	2014–15		2013–14	2014–15
130	114	128	120	Certificate issued	9	15
				Without certificate issued	119	105

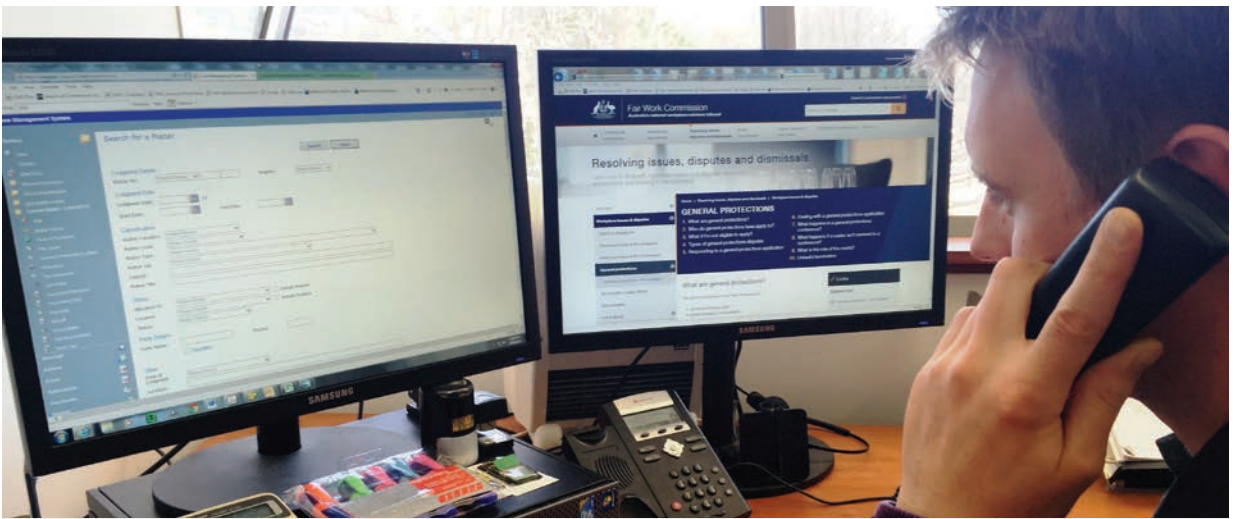
¹ 128 applications were lodged in 2012–13, 141 applications were lodged in 2011–12.

While there was a modest increase in the median number of days taken to finalise these matters, there was a significant increase in the 90th percentile measure of days taken to finalise matters. Given the relatively small number of lodgments made, any outliers will affect the data from year to year.

Table 11: Unlawful termination disputes – timeliness

	50% of matters				90% of matters			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
Lodgment to first conference (days)	26	27	37	39	51	71	57	67
Lodgment to finalisation (days) ¹	34	32	25	35	87	102	75	131

¹ Lodgment to finalisation (days) includes matters that were finalised with or without a conference.



In Focus

General Protections Pilot

The staff telephone conciliation model, which has been successfully used in the unfair dismissal jurisdiction, has been extended to deal with general protections matters involving dismissal, after a successful pilot program in 2014–15.

The general protections provisions of the Fair Work Act apply where an individual has suffered an ‘adverse action’, such as being dismissed, in contravention of the provisions, for example, for exercising a workplace right.

When a general protections application involving a dismissal is made, the Fair Work Act requires the Commission to conduct a conference. Previously, these conferences were conducted by Commission Members, often face-to-face, requiring parties to come in to Commission premises.

The aim of the telephone conferences was to assist parties to resolve their dispute without the need for potentially costly court proceedings. If the discussions did not produce a resolution the Commission issued a certificate which enabled the applicant to take further action in the Federal Court or Federal Circuit Court.

The pilot, which began in September 2014, involved trained staff conciliators acting under a delegation from the President, conducting telephone conferences for general protections applications involving a dismissal from Western Australia, Queensland and the ACT.

The pilot program was designed to test the efficacy of staff conciliators conducting general protections conferences, to assist in addressing the steady increase in lodgments of these matters and to free up Members’ time so they could undertake more complex work.

Image: The General Protections Pilot was supported by a central case management team based in the Commission’s Canberra office.

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SCAN FOR VIDEO



In Focus continued


The matters were managed by a central case management team in the lead up to each conference.

The central case management team also facilitated a move to electronic files, saving the Commission the time and costs previously associated with the creation and maintenance of hard copy files.

The Commission engaged independent consultants, Inca Consulting, to review and report on the effectiveness of the pilot in relation to three key success measures: timeliness, client satisfaction and settlement rate.

The results were extremely positive, with 73 per cent of disputes involving staff conciliator conferences being settled, compared with settlement rates of 60 per cent for conferences convened by Commission Members.

The difference in settlement rate may be due to the ability of staff conciliators to specialise in these matters and to allocate more time to their resolution. The specialised training provided to conciliators also resulted in a consistent approach to the conferences and enabled the conciliators to share strategies to achieve outcomes acceptable to both parties.

 The staff conciliators have this as their day-to-day work. This has enabled greater consistency in terms of the approach that is implemented.

Liz Priest, Commission conciliator.

Client satisfaction results were also pleasing. The satisfaction of parties was measured using a sample of those who participated in both Member and staff-convened conferences. The parties were surveyed on the application process, interaction with Commission staff, understanding of what would occur in a conference and the conduct of the conference.

The Inca report concluded that a majority of participants were satisfied with the conference process and that staff conciliators had maintained participant satisfaction.

One of the other key objectives of the General Protections Pilot was to have applications listed for a first conference more quickly, in line with the Commission's aim to resolve disputes in a manner that is 'just, quick and affordable'. By this measure, the pilot program succeeded, significantly reducing the time between lodgment and conference.

Ninety per cent of matters in the pilot program were the subject of a conference within 43 days of lodgment, compared with 59 days for matters that were not part of the pilot program.

The Inca report concluded that:

“ The General Protection Pilot has demonstrated in emphatic terms that centralised case management and the use of staff conciliators is a more efficient and effective arrangement than the traditional one. (p.19)

Deputy President Kovacic, who supervised the pilot, agreed it had been a great success.

“ From the applicant's perspective it means that they get to a conference quicker than they would if they were before a Member and the prospects of getting a negotiated outcome are also higher for a conciliator-convened conference.

The Commission introduced staff conciliator general protections conferences on a national basis from August 2015.



Case Study

General protections telephone conciliation

The following general protections matter was dealt with at a conciliation conference before a staff conciliator of the Commission. Conciliation conferences are conducted in private. Accordingly, parties have been de-identified. In this matter, the application did not appear to have any threshold jurisdiction issues and so proceeded through the usual case management process.

The applicant worked at a residential care facility. Her employment was terminated after several months, during her probationary period. The applicant alleged that her employment was terminated because of discrimination arising from a personal attribute listed in section 351(1) of the Fair Work Act.

The applicant made an application to the Commission to deal with a general protections dispute. The respondent was given an opportunity to respond in writing. The respondent denied the allegation, and alleged that the dismissal occurred due to concerns with the applicant's work performance, which were detailed in the written response.

A telephone conciliation conference was conducted by a staff conciliator of the Commission. The conference consisted of a joint session where each party was given the opportunity to make opening remarks to highlight their perspective of the dispute and to raise questions about the dispute with the other party.

The conciliator facilitated this discussion, to assist the parties to focus upon the core elements of the claim; she also raised points of clarification with each party in areas where the parties differed in their recollections or interpretation of events.

Image: Commission staff conciliators conducted general protections conferences by telephone as part of the pilot in 2014–15.

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Case Study continued

After the joint session, the conciliator spoke with each of the parties through a series of private sessions, identifying the parties' core interests and objectives, and reality-testing their expectations and settlement proposals.

This assisted the parties to find common interests, which meant they were able to resolve the matter efficiently.

The parties agreed to settle the application on the basis that members of the respondent's management team would undertake accredited workplace relations training concerning general protections, anti-bullying and discrimination obligations.

Each party chose to participate in the conference without a representative. The conciliator actively supported each party to express their perspective and interests.

The telephone conference format was particularly suitable in this matter. Given the parties were self-represented and the sensitive nature of the alleged conduct relied upon by the applicant in making the claim, it enabled the parties to participate from separate locations, without any requirement to be present in the same room.

Determining unfair dismissal applications

Unfair dismissal matters are a substantial part of the Commission's workload, representing more than 40 per cent of applications made to the Commission.

Many applicants and employers come to the Commission for the first time when such an application is made and this can result in significant challenges when all parties are in unfamiliar territory.

The Commission's *Future Directions* program includes strategies to assist both applicants and respondents with information to navigate the legislative framework including short videos and tools such as an eligibility quiz and a comprehensive benchbook.

In 2014–15 the Commission worked on better identifying and dealing with significant jurisdictional and threshold issues at an early stage. This included triaging matters where the applicant had not met the minimum period of employment or the respondent was not a national system employer. In the reporting period the Commission also changed the case management of matters lodged outside of the required timeframe. These matters also were directed to a Commission Member who made a decision about allowing an extension of the statutory timeframe prior to arranging a voluntary conciliation conference or requiring a decision on the merits of the case. This resulted in a significant increase in the number of jurisdictional decisions issued by Members in 2014–15 (see Table 15).

Ninety per cent of applications for unfair dismissal are resolved prior to formal proceedings before a Commission Member, by conciliation, triage and case management, or where a person withdraws their application. To assist unrepresented parties who proceed to a formal proceeding, in December 2014 the Commission introduced a set of tools and processes that guided them through how to make submissions and statements without the need for legal or other representation. These materials are sent to the parties and are published on the Commission's website.

Unfair dismissal process

Unfair dismissal applications follow a standard process:

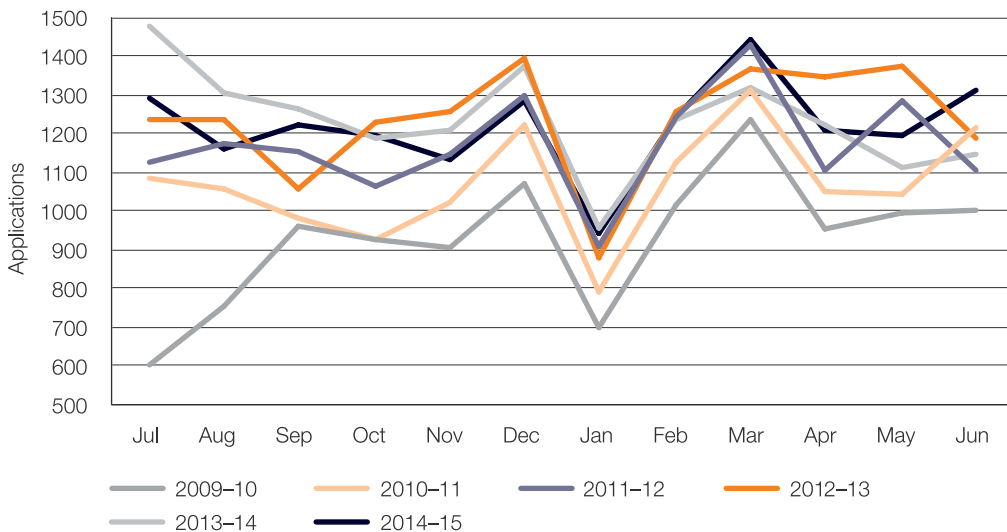
- Applicant lodges an application with the Commission.
- Applications are analysed and are either allocated to a Member to determine a threshold issue, or allocated to the conciliation support team.
- The matter is listed for a voluntary telephone conciliation conducted by specialist conciliators.
- Where a matter is unable to be resolved with the assistance of the conciliator, or the employer makes a jurisdictional objection, the matter is listed before a Commission Member.

Some 14,624 unfair dismissal applications were filed in 2014–15, a decrease of 173 matters from the previous year. The pattern and location of lodgments were broadly consistent with previous years. New South Wales, Tasmania and the Australian Capital Territory all saw falls in the number of applications lodged, while all other locations saw slight or moderate increases. Table 12 provides a breakdown of the number of unfair dismissal applications by the city in which they were lodged. The median time from lodgment of an application to the finalisation of an unfair dismissal conciliation dropped from 46 days in 2013–14, to 28 days in 2014–15.

Table 12: Unfair dismissal – lodgments

Location	2011–12	2012–13	2013–14	2014–15
Adelaide	906	1037	999	1005
Brisbane	2639	2747	2695	2814
Canberra	250	256	245	185
Darwin	168	170	153	197
Hobart	292	275	267	259
Melbourne	4713	5018	4913	4929
Newcastle	49	196	193	97
Perth	1233	1346	1458	1554
Sydney	3752	3743	3831	3539
Wollongong	25	30	43	45
Total lodgments Australia-wide	14,027	14,818	14,797	14,624

Figure 12: Unfair dismissal applications lodged – monthly comparison



For source data see Table G9.

Conciliation of unfair dismissal matters continued to prove to be a successful method of resolving these applications. More than 11,000 matters were conciliated in 2014–15 and 79 per cent of matters referred to conciliation were resolved at this stage. The conciliation process, when combined with comprehensive case management processes post conciliation, resulted in nearly 90 per cent of unfair dismissal applications being resolved without a need for a determination to be made by a Commission Member. Of the 15,177 unfair dismissal applications finalised, 1527 required a final decision or order to finalise the matter.

See Table 13 for conciliation settlement rates.

Figure 13: How matters were finalised

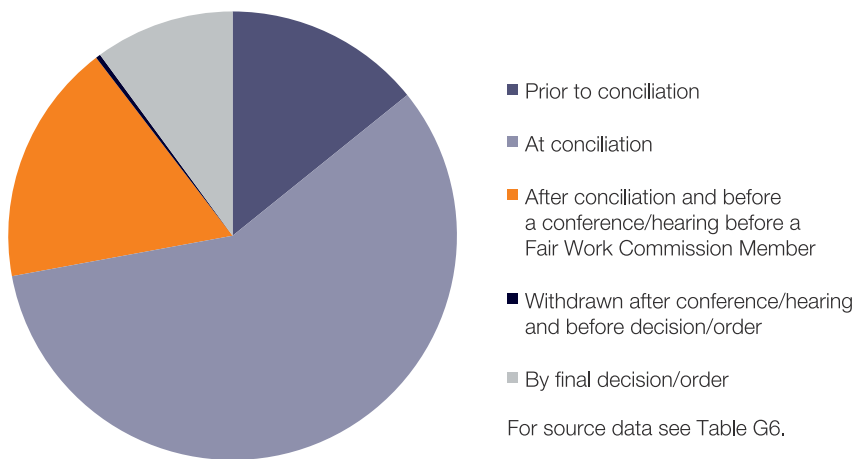


Table 13: Unfair dismissal – conciliation settlement rate

Result type	Year to date total			%		
	2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
Total settled matters	8843	8659	8788	81.2	78.9	79.0
Total NOT settled matters	2043	2313	2337	18.8	21.1	21.0
Total resulted conciliations	10,886	10,972	11,125	100	100	100

Participants in conciliations are surveyed to determine their level of satisfaction with the unfair dismissal conciliation process. Overall satisfaction remained high this year, with more than 75 per cent of those who responded indicating the conciliation process met or exceeded their expectations, and more than 80 per cent indicating that they were satisfied with the service they received throughout the conciliation process.

The Commission successfully undertook a pilot involving paperless unfair dismissal files for matters referred to conciliation in 2014–15. The pilot enabled the Commission to better manage workloads and to address some of the bottlenecks that contributed to the previous years' increase to the median time taken from lodgment to the finalisation of conciliation. Other procedural changes included referring all matters that were filed outside of the statutory 21 days directly to a Commission Member in order to determine whether an extension of time should be granted.

Outcomes

This year 11,125 unfair dismissal conciliations were held, with 8788 matters settled at this stage. Remedies were generally negotiated by the parties with the help of the conciliator. These remedies could include reinstatement, monetary and non-monetary terms or a combination of these remedies. Of those settled, 58.6 per cent (5147) of these resulted in both monetary and non-monetary settlements, 20.7 per cent (1820) of matters were settled with non-monetary terms only and 0.8 per cent (71) of matters resulted in reinstatement.

Table 14: Unfair dismissal, conciliation – results

Result type	Year to date total			Year to date %		
	2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
Settled						
Settled: Monetary	1669	1846	1750	19.5	21.3	19.9
Settled: Monetary + non-monetary	4906	4740	5147	53.9	54.7	58.6
Settled: Non-monetary	2136	2008	1820	25.0	23.2	20.7
Settled: Reinstatement	79	30	47	0.9	0.3	0.5
Settled: Reinstatement + monetary	26	15	15	0.3	0.2	0.2
Settled: Reinstatement + non-monetary	19	14	4	0.2	0.2	0.0
Settled: Reinstatement, monetary + non-monetary	8	6	5	0.1	0.1	0.1
Total settled matters	8843	8659	8788	100.0	100.0	100.0
Not settled						
Not settled at conciliation	1963	2252	2301	18.1	20.5	20.7
Not settled: Settlement collapsed	80	61	36	0.7	0.6	0.3
Total settled matters	8843	8659	8788	81.2	78.9	79.0
Total NOT settled matters	2043	2313	2337	18.8	21.1	21.0
Total resulted conciliations	10,886	10,972	11,125	100	100	100

In jurisdiction hearings, the objection was upheld in 77 per cent of matters (890). The number of objections that were upheld has significantly increased due to the changes introduced to how the Commission deals with extension of time applications. For a full breakdown of jurisdictional hearing results refer to Table 15.

Table 15: Unfair dismissal arbitration – hearing/conference results – jurisdiction

	2012–13	2013–14	2014–15
Objection upheld	258	374	890
Applicant not dismissed	36	45	46
Employer not national system employer	2	5	13
Frivolous, vexatious	2	0	0
Genuine redundancy	22	34	83
Irregular and/or casual employee	0	1	3
Minimum period of employment not served	44	50	109
Multiple applications	1	0	2
No award, agreement or high income employee	13	27	34
No employment relationship	10	25	19
No extension of time – up to and including 7 days late	17	51	180
No extension of time – more than 7 days late	82	127	368
No reasonable prospect of success	23	9	5
Termination consistent with Small Business Fair Dismissal Code	8	8	12
Unknown ¹	11	6	33
Objection dismissed	120	159	266
Applicant dismissed	15	19	25
Application within time	N/A	N/A	20
Award, agreement and/or not high income employee	5	3	10
Employment relationship	15	28	8
Extension of time – up to and including 7 days	30	34	82
Extension of time – more than 7 days	20	29	72

	2012-13	2013-14	2014-15
Minimum period of employment served	8	17	28
National system employer	1	0	3
No genuine redundancy	13	18	15
No multiple applications	0	3	0
Not frivolous, vexatious	5	0	0
Not irregular casual employee	5	5	2
Reasonable prospect of success	1	3	5
Termination inconsistent with Small Business Fair Dismissal Code	3	4	5
Unknown ¹	4	12	7
Total objection results Australia-wide²	378	533	1156

¹ Unknown as activity incomplete.

² An application may be found in or out of jurisdiction on numerous grounds. Accordingly, jurisdictional results are not cumulative.

In 46.1 per cent of the 349 matters finalised at arbitration, the dismissal was found to be fair. In the remaining 188 matters the remedies were:

- compensation (141 matters)
- reinstatement (12 matters)
- reinstatement and lost remuneration (15 matters)
- no remedy determined (10 matters)
- remedy to be determined (10 matters).

See Table 16 for a summary of arbitration outcomes. For a full break down of remedies see Table 17.

Table 16: Unfair dismissal arbitration – hearing/conference results – outcomes

Tribunal decision	No. of decisions		
	2012–13	2013–14	2014–15
Objection upheld – application dismissed	258	374	890
Application dismissed (s.587) ¹	N/A	96	77
Application dismissed – (s.587) dismissal by Panel Head ¹	N/A	265	107
Application to dismiss (s.399A) – granted ¹	N/A	98	104
Application dismissed – dismissal was fair	256	175	161
Application granted – compensation	112	150	141
Application granted – no remedy granted	14	8	10
Application granted – reinstatement	8	9	12
Application granted – reinstatement and lost remuneration	12	25	15
Application granted – remedy to be determined	N/A	N/A	10
Total arbitration results Australia-wide	660	1200	1527

¹ The administrative framework to capture data under these parts commenced operation in July 2013. Earlier data is not available.

Table 17: Unfair dismissal arbitration – hearing/conference results – remedies

	2012–13	2013–14	2014–15
Application dismissed (s.587)	N/A	96	77
Application dismissed: (s.587) dismissed by Panel Head¹	N/A	265	107
Failure to attend	N/A	4	0
Incomplete application	N/A	12	12
Minimum employment period not met	N/A	166	52
No notice of discontinuance filed after settlement	N/A	6	0
No reasonable prospect of success	N/A	14	7
Non-compliance with directions	N/A	5	4
Premature application	N/A	6	0
Unpaid application	N/A	54	38
Verbal or written advice of discontinuance ²	N/A	14	N/A
Application to dismiss (s.399A): granted	N/A	98	104
Application dismissed: dismissal was fair	256	175	161
Application granted: compensation	112	150	141
\$0 – \$999	8	7	3
\$1000 – \$1999	12	9	15
\$2000 – \$3999	15	20	17
\$4000 – \$5999	13	18	21
\$6000 – \$7999	8	12	15
\$8000 – \$9999	8	17	10
\$10,000 – \$14,999	14	18	20
\$15,000 – \$19,999	7	8	14
\$20,000 – \$29,999	8	13	15
\$30,000 – \$39,999	8	8	5
\$40,000 – maximum amount	3	10	2
No loss of wages	2	4	1
Unknown ³	6	6	3

	2012–13	2013–14	2014–15
Application granted: no remedy granted	14	8	10
Application granted: reinstatement	8	9	12
Application granted: reinstatement and lost remuneration	12	25	15
\$0 – \$999	1	0	0
\$1000 – \$1999	0	1	1
\$2000 – \$3999	1	2	1
\$4000 – \$5999	0	1	1
\$6000 – \$7999	0	2	1
\$8000 – \$9999	1	1	0
\$10,000 – \$14,999	1	1	2
\$15,000 – \$19,999	0	3	1
\$20,000 – \$29,999	0	1	2
\$30,000 – \$39,999	1	1	1
\$40,000 – maximum amount	0	4	0
No loss of wages	5	4	2
Unknown ³	2	4	3
Application granted: remedy to be determined	N/A	N/A	10
Total arbitration results Australia-wide	402	826	637

1 An application may be dismissed by the Panel Head on numerous grounds. Accordingly, results are not cumulative.

2 Due to a rule change in December 2013 matters can now be discontinued verbally by the applicant resulting in the Panel Head no longer being required to dismiss a matter where a notice of discontinuance is not filed.

3 Unknown as activity incomplete.

Timeliness

Work is underway to establish a range of benchmarks for unfair dismissal matters in order to provide greater accountability, and to also better equip parties with realistic expectations on how long they can reasonably expect their matter to take. There are already established expectations for how long a matter should take to resolve by way of conciliation, so the area of focus is on benchmarks associated with the time taken to get from lodgment to finalisation by way of a substantive or jurisdictional hearing.

Table 18 sets out the time taken from lodgment of an unfair dismissal application to conciliation and then to finalisation.

Table 18: Unfair dismissal – timeliness

s.394 applications	KPI ³	50% of matters				90% of matters			
		2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
Lodgment to first conciliation (days) ¹	34	28	25	46	28	36	40	61	42
Lodgment to finalisation (days) ²	None	49	30	51	35	108	114	146	133

1 This measure is the number of days between lodgment and the first conciliation and includes applications under s.394 of the Fair Work Act and s.643 of the Workplace Relations Act by virtue of items 11 and 12, Schedule 2 to the Transitional Provisions Act.

2 Finalisation relates to a matter that has had a final result recorded and includes conciliations, arbitrations and matters withdrawn and is based on all matters finalised, as defined in the Commission's quarterly reports to the Minister, for the reporting period. Matters involving costs issues are not included.

3 The Commission has used the KPI targets from the 2013–14 Portfolio Budget Statements as a guide as the 2014–15 Portfolio Budget Statements were silent on these targets.

Appeals

In December, the Commission implemented the Permission to Appeal Pilot in order to deal with appeals in a more efficient manner.

The increase in the number of decisions issued in respect to unfair dismissal applications contributed to an increase in the number of appeals. For all matter types the number of appeals lodged increased by 57 per cent (122 matters). Of the 234 total appeal applications decided, 134 related to unfair dismissals. Table 19 provides the number of appeals relating to unfair dismissal applications broken down by year.

Table 19: Unfair dismissal – appeals

Decisions appealed	Upheld			Dismissed			Total		
	2012–13	2013–14	2014–15	2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
Total	13	30	32	45	49	102	58	79	134

Seventy appeals were dealt with through the Permission to Appeal Pilot. Of these 70 appeals, 74.3 per cent (52) were not granted permission to appeal and 25.7 per cent (18) were granted permission as illustrated in Table 20.

Table 20: Permission to Appeal Pilot statistics¹

	Total	Permission not granted	Permission granted	Percentage not granted	Percentage granted
Total matters	70	52	18	74.3	25.7

¹ This data is for the date range 1 January 2015 to 30 June 2015.

Further, Table 21 provides detail on the outcome of all appeal decisions in 2014–15.

Table 21: Outcomes of appeal matters from 1 July 2014 to 30 June 2015

Matter type	Appeals upheld	Appeals dismissed	Total appeal decisions
Unfair dismissals	32	102	134
Agreement approvals	8	11	19
s.739 disputes	11	22	33
Industrial action	1	5	6
Modern awards	1	0	1
Bargaining disputes	3	5	8
Right of entry ¹	4	5	9
Miscellaneous	6	18	24
Total	66	168	234

¹ Right of entry has replaced Organisation as a category name, however the type of matters captured by this category has not changed.



In Focus

Permission to Appeal Pilot

In an effort to reduce the time and cost burdens for parties involved in appeal matters and improve the performance and efficiency of its processes, the Commission launched a Permission to Appeal Pilot in December 2014.

When dealing with an appeal the Commission must consider two questions:

- whether permission to appeal should be granted and, if it is granted,
- whether there has been an error in the original decision.

Previously, Commission practice had been to consider both issues at the same Full Bench hearing.

However, for a significant number of appeals (particularly in relation to unfair dismissal and general protections applications), permission to appeal was ultimately refused, but only after the parties had incurred costs in preparing and filing submissions on the merits of the appeal.

Under the pilot, the issue of permission to appeal was determined as a threshold matter, reducing the burden on the parties to provide lengthy submissions that may not ultimately be required.

All appeals were assessed for inclusion in the pilot. Those appeals which Commission data suggested had a higher likelihood of being refused permission to appeal (such as unfair dismissal appeals, because of the higher statutory threshold for permission to appeal) were most likely to be included in the pilot.

Where an appeal matter was referred to the pilot, the appellant was required to file a short written submission in support of the application for permission to appeal only. The respondent was not required to file any written submissions, but was able to make oral submissions at the hearing.

Image: Deputy President Kovacic, Vice President Hatcher and Commissioner Johns (L to R) hear permission to appeal matters as part of the pilot program introduced in 2014–15.

continued on the next page

SCAN FOR VIDEO



In Focus continued

All appeals included in the pilot in a particular month were heard by a single Full Bench in either Sydney or Melbourne, with video links to other states as required, in the third week of the month following the lodgment of the appeal. Up to eight permission to appeal matters were heard on each sitting day.

If permission to appeal was not granted, the proceeding was concluded. If permission was granted, then the appeal was listed for a merits hearing in the usual way.

About 75 per cent of the applications determined in the pilot were refused permission to appeal.

Vice President Hatcher, who oversaw the pilot, said both the Commission and parties had benefitted from the new procedures.



We've had positive feedback that this has been faster for them and particularly has saved them on costs, including legal costs.

Vice President Hatcher.

Timeliness was also substantially improved by the new process. Under the pilot appeals could be listed for hearing within a month of the application, with a decision issued within two weeks. Previously it could take three months, or longer, for a hearing to occur and a decision to be delivered.

The new process also reduced the appeals workload for Commission Members.

The pilot is to be reviewed in October 2015. However based on early indications and feedback it is likely to be introduced as part of the normal Commission appeals process for unfair dismissal and general protections matters in the future.

Setting the minimum wage

Each year the Commission conducts a review to set the national minimum wage and adjust pay rates in modern awards.

More than 1.86 million employees who are award-reliant (around 18.8 per cent of the workforce) were directly affected by the Annual Wage Review 2014–15.

The annual wage review is conducted by an Expert Panel comprised of seven members including:

- the President of the Commission
- three other full-time Members of the Commission
- three part-time Expert Panel Members with knowledge or experience relevant to minimum wage setting.

The Expert Panel must take into account the matters contained in the minimum wages objective and the modern awards objective, which are grouped as economic, social and collective bargaining considerations.

The Annual Wage Review 2014–15 Decision was issued on 2 June 2015. The decision:

- increased all modern award pay rates and most transitional instrument wages by 2.5 per cent
- set the national minimum wage for award and agreement-free employees at \$656.90 per week, calculated on the basis of a week of 38 ordinary hours, or \$17.29 per hour
- set a number of special national minimum wages for award and agreement-free employees with disability and for award and agreement-free junior employees, trainees and apprentices.

Determinations varying modern award pay rates and the national minimum wage order came into operation on 1 July 2015 and took effect from the first full pay period on or after that date.

Submissions considered in the Annual Wage Review 2014–15

Any person or organisation may make written submissions to the Expert Panel for consideration in the annual wage review. This year, the Expert Panel received submissions from:

- the Australian Government
- state governments
- the federal opposition
- peak employer and employee representative bodies, and
- social interest and community-based organisations.

The Expert Panel considered submissions from these parties through a series of consultative processes conducted during the annual wage review including:

- receiving 26 initial submissions (March and April 2015)
- receiving six submissions in reply (April 2015)
- receiving six post-Budget submissions (May 2015)
- requesting parties to respond to questions on notice (May 2015)
- receiving seven responses to questions on notice and two other sets of consultation materials (May 2015)
- holding consultations for interested persons and organisations to make oral submissions to the Expert Panel (May 2015).

Medium-term research program

On 30 September 2014, the Expert Panel outlined its medium-term research program to inform the Annual Wage Review 2014–15 and future annual wage reviews.

The broad purpose of the medium-term research program is to inform the annual wage review with relevant qualitative and quantitative analysis and data. The research assists the Expert Panel in balancing the legislative objectives in light of the changed economic and social data from year to year.

In developing and undertaking the research program, the Commission consulted with its Minimum Wage Research Group comprising a chair from the Commission's Workplace and Economic Research Section and representatives nominated by the Australian Government, state and territory governments, and peak employer, employee and social interest representative bodies.

As part of this program, the following research was published for the Annual Wage Review 2014–15 and is available on the Commission's website:

- a report on award reliance and business size using data from the AWRS
- statistical reporting, including data from the AWRS regarding the cost of work for minimum wage earners
- a research reference list of working papers, journal articles and other types of published reports relevant to the minimum wages and modern awards objectives
- upon request, data from the Award Reliance Survey that has been modified consistent with privacy provisions.

Future research priorities outlined in the medium-term research program include:

- an analysis of the youth labour market, the underemployed and unemployed, and employees by gender and industrial arrangements
- an international comparison of minimum wages and labour market outcomes
- research on the work decisions and pay equity of low-paid women.

Achieving success

The Commission has consistently delivered decisions in time to meet the 1 July operative date required by the Fair Work Act and its agency KPI.

Factors contributing to this success include:

- immediately after the conclusion of the annual wage review, evaluating the processes for the completion of the previous review and planning for the next review
- consulting widely with stakeholders to ensure their views are taken into account by the Expert Panel
- managing workflow and resources by Members and Commission staff to meet statutory timeframes.

Innovation

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This year's annual wage review decision and consultations were live streamed on the Commission's website. The live streaming of the decision and consultations allowed a wider range of stakeholders to engage with the annual wage review, including interested people from remote regions of Australia and abroad. The website registered 472 total views and 270 unique views of the live stream of the consultations. For the announcement of the decision, there were 1354 total views and 807 unique views of the live stream.

Further information can be found in the *Future Directions* section of this report at page 27.

Orders relating to industrial action

Industrial action can be taken by employees or employers:

- Employees may go on strike (refuse to attend or perform work) or impose work bans (refuse to perform one or more of their normal duties).
- Employers may lock out their employees (refuse to allow them to work).

The Commission received a total of 955 applications in relation to industrial action in 2014–15. This represents a decrease of 3.4 per cent from the 2013–14 year, and a decrease of 24.9 per cent from the 2012–13 year.

Protected industrial action

Protected industrial action can occur after a list of proposed actions has been approved by a majority of employees in a workplace ballot process. This is done as part of bargaining for a new enterprise agreement.

The employee bargaining representative must apply to the Commission for an order requiring the ballot to take place. The Commission is required, as far as practicable, to determine the application within two days of it being made.

The Commission received 641 applications for protected ballot orders in the past year, an increase of 2.2 per cent on the previous reporting period.

Where protected industrial action is endangering the life, personal safety, health or welfare of the population, or part of it, or causing significant damage to the Australian economy, the Commission must suspend or terminate the action. The Commission must, as far as practicable, determine an application of this nature within five days of it being made, or make an interim order suspending action if this timeliness requirement cannot be met.

Unprotected industrial action

Where industrial action (or threatened action) is unprotected, an application can be made to the Commission to stop or prevent that industrial action. The Commission is required to determine the application within two days of lodgment or make an interim order stopping the action within two working days.



Case Study

International Flavours and Fragrances

On 22 January 2015 the food and beverage flavouring company, International Flavours and Fragrances (IFF), notified the Fair Work Commission of a bargaining dispute under s.240 of the Fair Work Act.

IFF had been negotiating with the National Union of Workers (NUW) since September 2014 for a replacement enterprise agreement for its employees at its Dandenong factory. The parties had yet to reach an agreement when negotiations stalled and protected industrial action was taken by NUW members from 27 January 2015.

It was at this time that IFF announced that it would lock out workers as they believed that the protected industrial action being taken, including paper work bans, was putting food safety at risk.

As the gates were closing on 27 January, to commence this lockout, some workers ran inside and occupied the canteen at IFF's premises.

In light of this, Commission Member, Deputy President Kovacic, conducted an urgent conference late on 27 January to deal with the bargaining dispute.

During this conference both parties expressed a desire to reach a negotiated outcome and indicated a willingness to move from their current positions. The Commission assisted the parties in identifying some potential proposals during the conference; however these required further consideration by the parties.

In order to solve the bargaining dispute, Deputy President Kovacic noted in a recommendation issued on 28 January that the parties needed to return to the negotiating table. To assist them to do this, the Commission indicated it would facilitate a further conference the next day.

Case Study continued

The Commission also recommended that:

- IFF give consideration to potential proposals identified at the conference and come prepared not only to respond to and discuss these potential proposals (and possible alternatives) but also to negotiate on its wage offer.
- The NUW members cease their occupation of IFF premises as soon as possible.

The Commission noted in its recommendation that the prospects of the further conference would be greatly enhanced if both parties ceased their protected industrial action. This would allow discussions to occur in a less charged environment and would signify their commitment to reaching a negotiated outcome.

Throughout this time, the employees inside the factory, and supporters outside, were tweeting photos and comments about the lock-in using the hashtag #occupydandenong.

The Commission also discussed the dispute with senior NUW officials, which in turn resulted in discussions between those officials and senior IFF representatives.

As a result of those discussions, on 30 January, the workers occupying the canteen at the Dandenong factory vacated the site.

The parties appeared before the Commission in an all-day sitting on Saturday, 31 January which resulted in an in-principle agreement that was subsequently endorsed by the NUW members the following afternoon. The workers returned to work at 6am on Monday morning.

The Commission provided further assistance to the parties in late February in finalising the drafting aspects of the agreement. A quick resolution was reached with the assistance of the Commission.

Gary Maas from the NUW said: 'It is clear that this process – including the involvement of the Fair Work Commission – led to a resolution being reached more efficiently than through any other legal channel.'

The parties later filed an application seeking approval of their enterprise agreement, *International Flavours & Fragrances (Australia) Pty Ltd and National Union of Workers – Collective Agreement 2015–2018*, on 31 March 2015.

The agreement was approved by the Commission on 23 April 2015 and the bargaining dispute application filed in January was resolved and closed.

Chronology of events

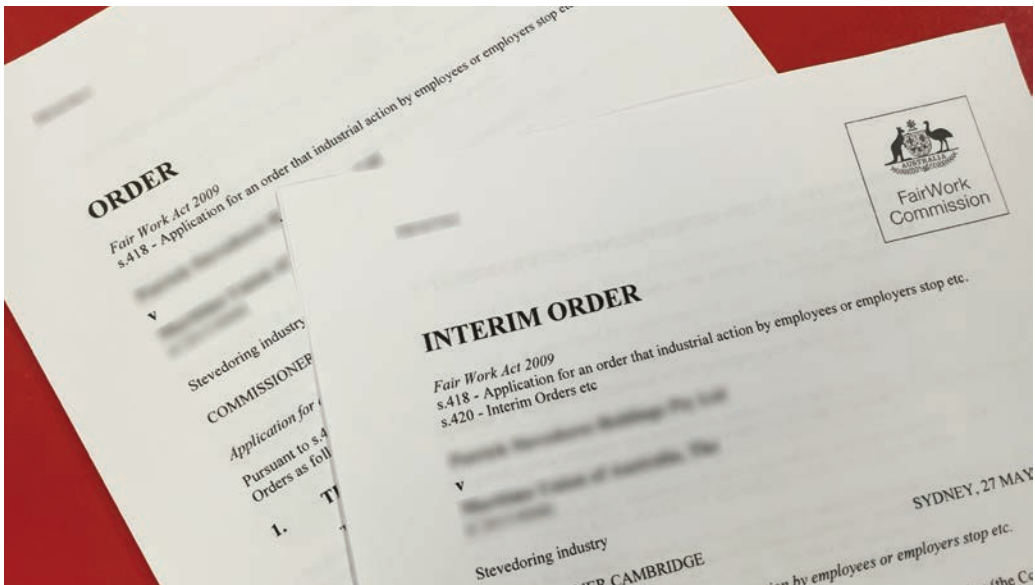
Date	Event
22 January 2015	s.240 bargaining dispute application lodged at the Commission
23 January 2015	Matter allocated to the Chambers of Deputy President Kovacic
27 January 2015	Workers occupy lunch room at the Dandenong site when informed IFF intended to commence a lock out
27 January 2015	Listing for 5:30pm conference
28 January 2015	Recommendation issued by Deputy President Kovacic
29 January 2015	8am conference
30 January 2015	Workers vacate lunch room at Dandenong site
31 January 2015	10am conference
1 February 2015	Parties reach an agreement
2 February 2015	Workers return to work at Dandenong factory
27 February 2015	Listing for 4pm conference
31 March 2015	Application for approval of the <i>International Flavours & Fragrances (Australia) Pty Ltd and National Union of Workers – Collective Agreement 2015–2018</i> lodged with the Commission
23 April 2015	Agreement approved by the Commission

Dealing with industrial action

The short timeframe for dealing with industrial action applications requires the Commission to have processes in place to rapidly consider these matters – particularly in the case of unprotected action or where protected industrial action is causing or threatening to cause significant economic harm to the parties.

When an urgent application related to industrial action is lodged, Commission staff contact the relevant Panel Head's Chambers to alert them to the application so that it can be quickly allocated to a Member. Panel Heads and Members may be contacted out of hours if required to facilitate the rapid handling of a matter.

To further assist with the timely resolution of matters, they may be listed outside of normal business hours, including on weekends. If a matter cannot be resolved within the legislative timeframe, the presiding Member will generally issue an interim order until a final order is issued.



The Commission received 955 applications relating to industrial action this year, the majority being applications for a protected action ballot order.

Table 22: Industrial action – lodgments

Type of application	No. of applications			
	2011–12	2012–13	2013–14	2014–15
s.418 – Application for an order that industrial action by employees or employers stop etc.	138	168	145	107
s.419 – Application for an order that industrial action by non-national system employees or employers stop etc.	2	2	3	0
s.423 – Application to suspend or terminate protected industrial action – significant economic harm etc.	7	5	1	0
s.424 – Application to suspend or terminate protected industrial action – endangering life etc.	16	11	11	16
s.425 – Application to suspend protected industrial action – cooling off	4	2	6	0
s.426 – Application to suspend protected industrial action – significant harm to third party	0	1	3	1
s.437 – Application for a protected action ballot order	1011	915	627	641
s.447 – Application for variation of protected action ballot order	17	12	12	6
s.448 – Application for revocation of protected action ballot order	57	38	54	44
s.459 – Application to extend the 30-day period in which industrial action is authorised by protected action ballot	156	115	124	133
s.472 – Application for an order relating to certain partial work bans	9	2	3	7
Total	1417	1271	989	955

Table 23: Industrial action – all applications, timeliness (median time days)

Applications	KPI ¹	50% of matters				90% of matters			
		2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
Applications made under ss.418, 419, 423, 424, 425, 426, 437, 447, 448, 459 and 472	3 days	3	3	2	3	7	5	6	7

¹ The Commission has used the KPI targets from the 2013–14 Portfolio Budget Statements as a guide as the 2014–15 Portfolio Budget Statements were silent on these targets.

Table 24: Industrial action applications – protected action ballot orders and orders to stop industrial action – timeliness

Type of application	50% of matters				90% of matters			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
s.418 – Application for an order that industrial action by employees or employers stop etc. – lodgment to first hearing (days)	1	1	1	1	3	2	2	3
s.437 – Application for a protected action ballot order – lodgment to first hearing (days)	3	3	3	3	7	5	7	9
s.437 – Application for a protected action ballot order – lodgment to determination (days)	4	3	3	3	7	6	7	7

Processes relating to modern awards

Modern awards

Modern awards, together with the National Employment Standards (NES), provide a minimum safety net of terms and conditions for the employees they cover. As at 30 June 2015 there were 130 modern awards, with 122 covering an industry or occupation and eight covering a single enterprise or state reference public sector employer.

4 yearly review

The Fair Work Act requires the Commission to review all modern awards four years after they came into operation on 1 January 2010. The 4 yearly review of modern awards (the Review) commenced in February 2014 and is expected to run until late 2016.

Following the determination of threshold jurisdictional issues, the Review was divided into two stages: the common issues stage and award stage.

The common issues are:

- annual leave (AM2014/47)
- award flexibility/facilitative provisions (AM2014/300)
- casual employment (AM2014/197)
- family and domestic violence clause (AM2015/1)
- family friendly work arrangements (AM2015/2)
- micro business schedule (AM2014/306)
- part-time employment (AM2014/196)
- public holidays (AM2014/301)
- transitional/sunset provisions relating to accident pay, redundancy and district allowances (AM2014/190).

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Significant decisions in relation to annual leave, inconsistencies with the NES and transitional provisions were issued during the reporting period.

The award stage will deal with the modern awards in four groups. Progress has been made in reviewing the awards in Group One with a number of threshold issues being determined in a decision issued in December 2014. Exposure drafts based on 49 modern awards in Groups One and Two were published for comment during the reporting period, seeking to improve the accessibility of awards, particularly for small businesses and individual employees. The remaining award groups will be dealt with throughout 2015–16.

The Review is a significant and complex body of work. During 2014–15:

- 40 statements and decisions were issued
- 107 Full Bench hearings, 279 conferences and mentions were held
- 2211 documents were posted to the website
- 429 emails were sent to subscribers
- 6096 interested persons were registered subscribers to the 'My awards – all matters' service at 30 June 2015.

Modernisation and termination of enterprise instruments

On 31 December 2013 all enterprise instruments in operation terminated unless an application was made to modernise the instrument. Enterprise instruments were former federal or state awards that covered employees in a single enterprise or a group of related enterprises. The Commission estimated there were 1735 enterprise instruments still in operation prior to 31 December 2013.

Of the 141 applications made to modernise enterprise instruments, 38 were yet to be determined as at 30 June 2015. During the reporting period 18 applications were granted and seven modern enterprise awards were made. The terms of four further modern enterprise awards were still to be finalised following the approval of the applications.

Modernisation and termination of state reference public sector transitional awards

State reference public sector transitional awards applied to public sector employees in Victoria and some local government employees in Tasmania. If no application was made to terminate or modernise one of these awards prior to 31 December 2013 the Commission must modernise the award. One state reference public sector modern award was made during the reporting period, with 41 applications yet to be determined. A number of applications were dismissed as the Commission determined that the awards were either enterprise instruments or not operating as state reference public sector transitional awards.

Default superannuation fund terms

The Fair Work Act requires the Commission to conduct a review of modern award default superannuation fund terms every four years (superannuation review). The default fund applies to payments for employees who are covered by the award but have not chosen a fund to receive their superannuation contributions.

As part of the superannuation review the Commission must make a default superannuation list which will contain funds that offer a MySuper product. The Expert Panel will then select products from the list to be included in modern awards. A separate schedule of approved employer MySuper products will be created.

Following a Federal Court decision in June 2014 (re *Financial Services Council Ltd v Industry Super Australia Pty Ltd and Anor* NSD447/2014) the Review process ceased as it was deemed that the Expert Panel was not properly constituted.

At the end of the 2014–15 reporting period the Commission was awaiting the appointment of an Expert Panel Member to enable it to proceed further with the review of default superannuation fund terms in modern awards.

Enterprise agreements

Enterprise agreements constitute an important area of the Commission's work. As well as assessing and approving enterprise agreements, the Commission is able to assist parties with the process of making enterprise agreements and the resolution of disputes arising from the bargaining process.

An enterprise agreement is a binding instrument made between an employer and their employees (or in the case of a greenfields agreement between the employer and relevant union/s) governing the terms and conditions of employment. Before approving an enterprise agreement, the Commission must be satisfied the enterprise agreement meets the legislative criteria set out in the Fair Work Act, including that it passes the 'better off overall test' (BOOT). This test requires that each of the employees to be covered by the agreement is better off overall than under the relevant modern award.

Approval of agreements

Applications to approve enterprise agreements declined 12.3 per cent in 2014–15. This is in line with a general decline in these types of applications from 2011–12.

Approval of agreements is not automatic. The Commission must be satisfied that a number of statutory requirements have been met including the:

- agreement has been made with the genuine agreement of those involved
- agreement passes the BOOT
- agreement does not include any unlawful terms or designated outworker terms
- group of employees covered by the agreement was fairly chosen
- agreement specifies a date as its nominal expiry date (not more than four years after the date of approval)
- agreement provides a dispute settlement procedure
- agreement includes a flexibility clause and a consultation clause.

Table 25: Enterprise agreement approvals – lodgments

Type of application	Lodged				Approved			
	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14	2014–15
s.185 – Single-enterprise	7812	6333	5945	5449	7440	6051	5602	5027
s.185 – Greenfields	705	712	749	407	665	685	745	399
s.185 – Multi-enterprise	48	42	60	66	44	36	56	55
Total	8565	7087	6754	5922	8149	6772	6403	5481

1 Results are not confined to applications lodged in this period.

Agreement approval times

Table 26 shows the median number of days taken to finalise 50 per cent and 90 per cent of applications. This year the time to approve 50 per cent of single enterprise agreements rose from 17 days in 2013–14 to 21 days. The time to approve 50 per cent of multi-enterprise agreements also rose during the 2014–15 reporting period. The time taken to finalise 50 per cent of greenfields agreements was maintained.

These rises may be attributed to an above expected level of lodgments during November and December 2014 combined with a high level of Members taking leave during this period, both of which contributed to an increased timeframe for finalisation of agreement matters during the third quarter of the reporting period. Figures for the final quarter of the reporting period show improvements in the Commission's performance in this area.

Not approved				Application withdrawn				Total finalised ¹			
2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15
79	59	99	114	264	281	269	382	7783	6391	5970	5523
3	3	3	2	27	29	20	17	695	717	768	418
1	1	1	1	3	4	5	8	48	41	62	64
83	63	103	117	294	314	294	407	8526	7149	6800	6005

Table 26: Enterprise agreements – timeliness, lodgment to finalisation (median time days)

Type of application	KPI ¹	50% of matters				90% of matters			
		2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15
s.185 – Single-enterprise – lodgment to finalisation (days)	32 days	17	16	17	21	53	54	50	56
s.185 – Greenfields – lodgment to finalisation (days)	32 days	21	14	14	14	58	38	41	46
s.185 – Multi-enterprise – lodgment to finalisation (days)	32 days	35	22	26	34	91	64	54	90

¹ The Commission has used the KPI targets from the 2013-14 Portfolio Budget Statements as a guide as the 2014-15 Portfolio Budget Statements were silent on these targets.

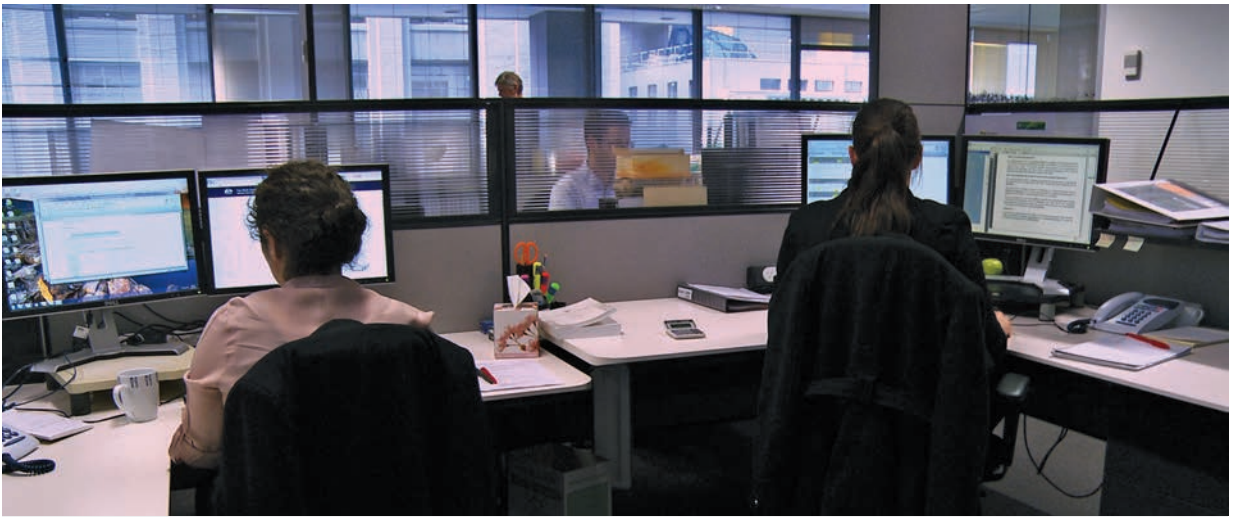
Assistance with agreement making

Employers and employees usually complete enterprise agreement negotiations (or bargaining) themselves, but these negotiations can break down or become deadlocked, and an agreement between the parties cannot be reached.

In these situations the Commission has a variety of powers to assist the bargaining process if requested to do so under a number of sections of the Fair Work Act. The number of bargaining applications rose by 12.8 per cent in 2014–15, continuing a general increase in these types of application since the 2012–13 reporting period.

Table 27: Bargaining applications – lodgments

Type of application	2011–12	2012–13	2013–14	2014–15
s.229 – Application for a bargaining order	99	78	96	87
s.236 – Application for a majority support determination	62	74	77	96
s.238 – Application for a scope order	30	15	24	12
s.240 – Application to deal with a bargaining dispute	307	231	208	270
s.242 – Application for a low-paid authorisation	1	0	1	0
s.248 – Application for a single interest employer authorisation	31	8	16	11
Total	530	406	422	476



In Focus

Agreements Pilot

Following a successful pilot in 2014–15, the Fair Work Commission has adopted a new process designed to improve the timeliness and consistency of enterprise agreement approval matters.

Enterprise agreements must meet a number of requirements under the Fair Work Act in order to be approved by the Commission, including meeting the 'better off overall test' (BOOT) and satisfying certain procedural steps. Prior to the pilot these applications were individually checked and assessed by Commission Members.

To facilitate a faster review and greater consistency of enterprise agreement approvals, the Commission piloted a new triage process between 6 October 2014 and 30 June 2015. The pilot's aim was to determine if improvements could be made in relation to timeliness, cost effectiveness and consistency. It also aimed to relieve some of the administrative burden placed on Commission Members when determining these applications, providing them with more time to focus on more complex matters.

In the pilot, the preliminary review of agreements was conducted by a team of administrative staff, experienced in reviewing enterprise agreements. Under the supervision of Deputy President Gostencnik, Deputy President Kovacic and Commissioner Lee, enterprise agreements lodged for approval were assigned to the team to ensure compliance with each of the statutory obligations, including bargaining, voting and prescribed content.

The team developed a formal review process, including checklists, which helped ensure consistency across agreement approval applications. Following their preliminary review, staff members prepared an assessment for the Member as to whether each enterprise agreement met the BOOT and other statutory requirements. Commission Members, assisted by the analysis undertaken by the administrative staff, continued to make decisions as to whether an agreement should be approved.

Image: Some of the administrative team who reviewed enterprise agreements as part of the Agreements Pilot in 2014–15.

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In Focus continued

Initially the pilot assessed agreements in the building, metal and civil construction industry lodged in Western Australia and some in Victoria, and all agreements lodged in Tasmania. Once operational processes had been established and internal training material developed, the Commission expanded the pilot in December 2014 to include all agreements from WA and the ACT.

Between 1 January 2015 and 30 June 2015, 23 per cent of all agreement approval applications lodged under s.185 of the Fair Work Act were allocated to the pilot.

Inca Consulting conducted an independent review of the pilot in April–May 2015. The review concluded that administrative staff could effectively and efficiently assess the compliance of enterprise agreements with requirements of the Fair Work Act. The review also noted that the timeframes for approvals made under s.186 of the Fair Work Act had significantly improved.

The pilot demonstrated that more time could be made available to Members, enabling them to focus on other more complex work which would make better use of their specialised skills.

Importantly, the review found that the pilot had facilitated the consistent treatment of agreement approval applications. Trends were also more easily identified, which provided the Commission with opportunities to more actively assist parties to prepare enterprise agreements and avoid common pitfalls. For example, the Commission developed the *Notice of Employee Representational Rights Guide* to assist parties to comply with the relevant statutory provisions and decrease the incidence of agreement applications having to be withdrawn because of a technical non-observance of a pre-lodgment requirement.

The pilot also helped the Commission to identify other ways it could assist parties with agreement making, and a number of new initiatives are being considered or implemented.

An enterprise agreement making ‘step-by-step’ guide is being developed, along with a checklist that has a particular focus on assisting small business with bargaining and agreement making. The checklist will be written in plain language and include a summary of important dates in the agreement-making process.

The draft guide and checklist were reviewed by small business focus groups and will be published on the Commission’s website in the next reporting period, once this feedback has been considered and any changes made.

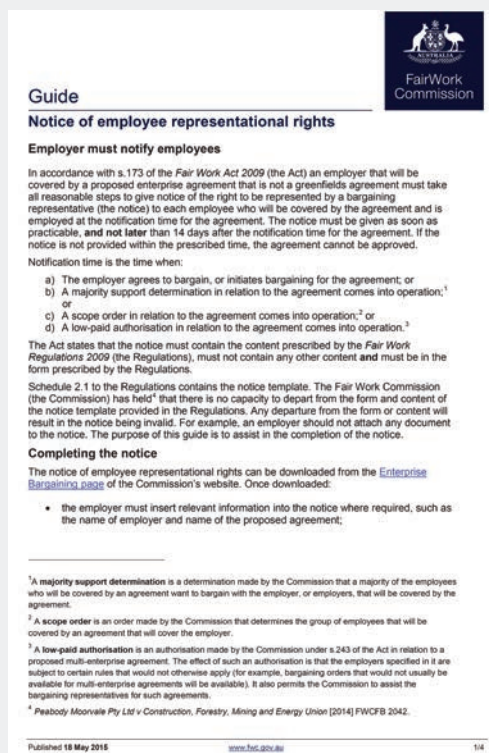
A facility is available on the Commission’s website that allows parties to send through their agreement-related queries. Parties using this function can expect a detailed response within approximately 24 hours of submitting their inquiry.

In addition, based on the learnings from the pilot, Commission Members have delivered industry briefings to assist employers and industry groups to lodge compliant enterprise agreements.

The Commission expects that over time these initiatives will lead to a longer-term improvement in the efficient assessment and timely approval of agreements.

Following the success of the pilot, from 1 July 2015, a greater range of enterprise agreement applications have been progressively referred to the new triage process.

By early 2016, it is anticipated 80 per cent of agreement approval applications may be dealt with under the triage process.



The Commission published this guide to the Notice of employee representational rights, after the Agreements pilot highlighted this as a common error made by parties.

Determining anti-bullying applications

The Commission's anti-bullying jurisdiction, which commenced on 1 January 2014, allows an individual who believes that they have been bullied at work to apply for an order to stop the bullying.

To be able to make such an application a worker must work in a constitutionally-covered business and the actions must meet the definition of bullying in the Fair Work Act, which states a worker is bullied if:

“...an individual or a group of individuals repeatedly behaves unreasonably towards the worker, or a group of workers of which the worker is a member, and that behaviour creates a risk to health and safety.

The Commission is empowered to make any order it considers appropriate to prevent a worker from being bullied, other than ordering the payment of financial compensation.

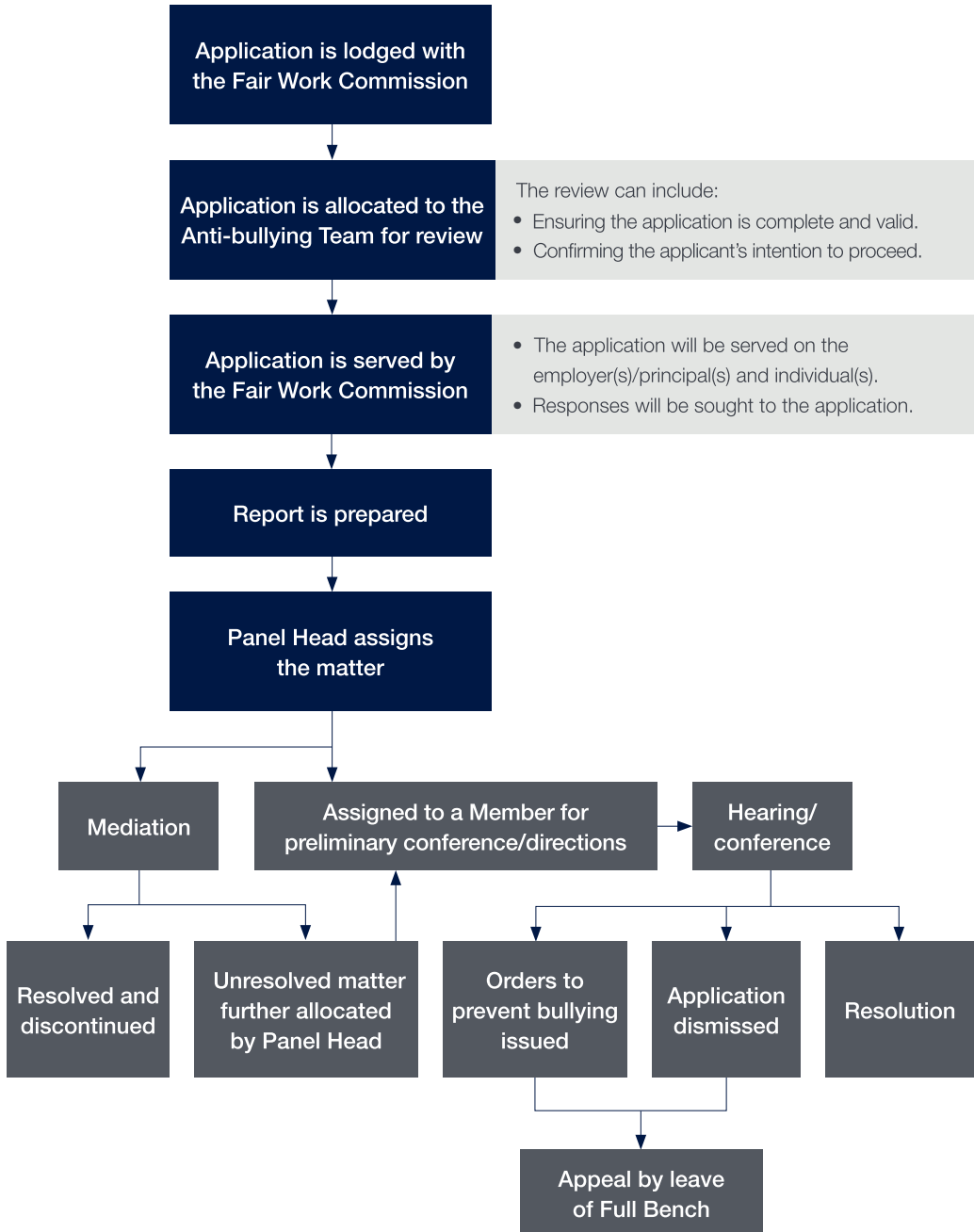
Anti-bullying process

The Commission deals with anti-bullying applications in quite a different way to other types of applications, recognising the emotional nature of the matters at hand, the issues to be determined, the ongoing nature of the working relationships and the psychological issues that may accompany these matters.

Figure 14: Anti-bullying – flowchart of the process

This flowchart outlines the process followed by the Commission in dealing with anti-bullying matters.

The process



The 2014–15 reporting period

In the 2014–15 reporting period the Commission:

- received more than 150,000 unique website hits regarding anti-bullying
- dealt with more than 6300 telephone inquiries
- processed 694 applications
- received approximately 60 applications per month.

Steps to dealing with matters

The Commission must start dealing with an application within 14 days of lodgment. Processes start when the Anti-bullying Case Management Team, acting under delegation from the President, begins making inquiries to gather information for the Panel Head to assess how a matter should be progressed; for example, whether a matter should be dealt with by a Commission Member or a staff mediator. This 14-day target has been achieved in 100 per cent of matters. See Table 28 for further information on timeliness.

Table 28: Anti-bullying matters – timeliness

Time taken to start to deal with matter (days)	
Median	1
100th percentile ¹	9

¹ 100th percentile is the longest time (days) taken to deal with a matter.

Each application is assessed soon after lodgment to determine if it falls within the Commission's jurisdiction, the nature of the alleged bullying and how the application should be dealt with. Parties, including applicants, employers and other parties named are also contacted to advise them of the matter and to seek information to guide decisions about how the matter will proceed. This usually occurs within 24 hours of the application being lodged.

In the 2014–15 reporting period approximately 27 per cent of applications were withdrawn at this stage. A further 18 per cent of applications were withdrawn prior to any proceedings (see Table 29 – Finalisation of matters).

Table 29: Anti-bullying jurisdiction finalisation of matters

Finalisation of matters	2013–14 ⁴	2014–15
Application withdrawn early in case management process ¹	59	185
Application withdrawn prior to proceedings ²	34	122
Application resolved during the course of proceedings ³	63	191
Application withdrawn after a conference or hearing and before decision	20	118
Application finalised by decision	21	60
Total	197	676

1 Applications withdrawn with Case Management Team or with Panel Head prior to substantive proceedings.

2 Includes matters that are withdrawn prior to a proceeding being listed; before a listed conference, hearing, mention or mediation before a Commission Member is conducted; and before a listed mediation by a staff member is conducted. This also includes matters where an applicant considers the response provided by the other parties to satisfactorily deal with the application.

3 Includes matters that are resolved as a result of a listed conference, hearing, mention or mediation before a Commission Member or listed mediation by a staff member.

4 The anti-bullying jurisdiction commenced on 1 January 2014, therefore this data relates to the date range 1 January 2014 to 30 June 2014.

Early withdrawal of applications

There are many factors which can lead to the early withdrawal of an application, including the identification of jurisdictional barriers, the preventative focus of the potential orders available, or a decision to follow alternate means of resolution. The prompt resolution of alleged bullying behaviour in the workplace subsequent to the Commission effecting service of an application is also an important factor.

Mediations

Where appropriate, matters may be referred for mediation with a qualified staff member. During the 2014–15 year staff conducted 62 mediations, mostly by telephone.

Matters dealt with by Members and resolution outcomes

The great majority of matters have been dealt with directly by Members, by conference or hearing. In most cases an informal conference is conducted by a Commission Member in order to gain an appreciation of the issues and stabilise relationships, and make directions for the hearing of the matter.

Although few orders have been made in this jurisdiction to date, a substantial number of applications have been resolved through the case management process adopted by the Commission.

These resolutions include matters where the response provided by the employer/principal is considered by the applicant worker to satisfactorily address their concerns.

In addition, many matters are resolved through conferences conducted by the Commission where mediation, conciliation and/or making recommendations has assisted the parties to deal with both the immediate issues that may have led to the application and more systematic preventative approaches.

More than 800 anti-bullying conferences and hearings occurred over the year.

Of those matters dealt with by Members approximately 46 per cent were resolved. Common outcomes have included:

- undertakings about future behaviour
- clarification of roles, responsibilities and reporting relationships
- employer to establish or review anti-bullying policies
- provision of information, additional support and training to workers
- worker to return to work on agreed conditions
- agreed relocation of individual named and/or the applicant worker.

Matters determined

Sixty anti-bullying matters were finalised by a decision. Of those in the reporting period 59 were dismissed and one order was made. See Table 30 for a full breakdown of decisions.

The Commission's focus is on resolving the matter and enabling normal working relationships to continue. It can only make an order where there is a risk that bullying behaviour directed towards the applicant worker could continue. In practice, this limits the range of circumstances where an anti-bullying order may be made.

Table 30: Anti-bullying jurisdiction finalisation by decision

Applications dismissed	2013–14¹	2014–15
Jurisdictional objection upheld	3	2
Bullying not found or no risk of bullying continuing	4	10
s.587 – includes matters not pursued by applicant or not made in accordance with the Fair Work Act	13	47
Total applications dismissed	20	59
Applications granted		
Worker at risk of continued bullying – order issued	1	1
Worker at risk of continued bullying – order yet to be issued	0	0
Worker at risk of continued bullying – further decision and order issued	0	0
Total applications granted	1	1
Total decisions	21	60

¹ The anti-bullying jurisdiction commenced on 1 January 2014, therefore this data relates to the date range 1 January 2014 to 30 June 2014.

Major cases

The 2014–15 reporting period has seen a number of significant decisions made by the Commission which have clarified the anti-bullying jurisdiction and also provided broader guidance on workplace relations.

'At work', social media and the workplace

Bowker et. al v DP World Melbourne Limited T/A DP World; Maritime Union of Australia, The Victorian Branch and Others [2014] FWCFB 9227 – Full Bench – 22 December 2014

Three DP World Melbourne Limited (DP World) employees made applications to the Commission for an order to stop bullying pursuant to s.789 of the Fair Work Act. DP World and the Maritime Union of Australia (MUA) subsequently raised a jurisdictional objection that some of the alleged bullying conduct did not occur 'at work'.

A worker can only apply to the Commission for an order to stop bullying under s.789FF if they reasonably believe that they have been bullied at work. The Commission's power to make such an order is only enlivened if, amongst other things, it is satisfied that the applicant was 'bullied at work'.

A five-member Full Bench was convened to determine the jurisdictional objection. The Full Bench concluded that the legal meaning of the expression 'while the worker is at work' included circumstances where the alleged bullying occurred while the worker was performing work although this did not cover the full range of circumstances where a worker could be regarded as being 'at work'. Being 'at work' was also not limited to the physical workplace and that it included any time the worker performed work, regardless of the location or time of day.

The Full Bench also found that a worker could be 'at work' while on an authorised meal break at the workplace. It was noted that by definition, while a worker was on such a meal break they were on a break from the performance of work.

The Bench found that it was unnecessary for them to consider whether these provisions applied where the meal break was taken outside of the workplace.

The Full Bench noted:

'It seems to us that the concept of being 'at work' encompasses both the performance of work (at any time or location) and when the worker is engaged in some other activity which is authorised or permitted by their employer, or in the case of a contractor their principal (such as being on a meal break or accessing social media while performing work).'

This matter also included allegations of bullying conduct in relation to posts on social media.

The Full Bench rejected the MUA's argument that workers would have to be 'at work' when offending social media posts were made for the conduct to fall within the bullying regime as the behaviour continued for as long as the comment remained online.

The Full Bench also noted that alleged bullies need not be 'at work' at the time of their conduct.

Reasonable management action

Mac [2015] FWC 774 – Vice President Hatcher – 13 February 2015

The Commission considered an application which was made after the implementation of a performance improvement process. Orders under s.789FF may only be made by a 'worker who reasonably believes that he or she has been bullied at work'.

It was found that while the applicant's belief was reasonable, as there was something tangible to support it which was not entirely irrational, the decision to place the applicant on a performance improvement plan was not unreasonable. The conduct of the employer and named individuals was not best practice, or entirely beyond criticism, but it did not reach the required level of unreasonableness. As a result it was found there was no power to make orders sought and the application was dismissed.

G.C. [2014] FWC 6988 – Commissioner Hampton – 9 December 2014

The Commission considered an application which dealt with matters of alleged unreasonable performance management, the question of whether alleged bullying behaviour had occurred 'at work', and whether or not the applicant faced an ongoing risk to health and safety.

The application was made by an employee who contended that he had been the subject of repeated unreasonable behaviour from his Managing Director. The behaviours alleged occurred during usual work hours, outside of normal hours, and also included a conversation which occurred at a bar at an after-work function.

The Commission found that certain conduct occurred that was capable of meeting the definition of workplace bullying, however no determination was made on the issue of whether conduct had occurred 'at work', as the applicant's fixed-term contract had expired. Ultimately the Commission could not be satisfied that the applicant faced an ongoing risk of experiencing bullying behaviour.

Ongoing risk

Obatoki v Mallee Track Health & Community Services and Others – [2015] FWCFB 1661 – Full Bench – 27 March 2015

Deputy President Kovacic at first instance dismissed the appellant's application on the basis that the application had no reasonable prospects of success. Mallee Track had terminated the contract with Dove Investments and Dr Obatoki was no longer working at the Mallee Track Medical Clinic.

Permission to appeal was granted because the Full Bench was satisfied that the matter raised issues of importance and general application and thus enlivened the public interest.

The proper approach to the application of s.789FF of the Fair Work Act in circumstances where the employment relationship has ceased is an issue that has previously only been considered by single Member authorities.

The Full Bench found that the Deputy President correctly held that there were no reasonable prospects that the application could succeed. The Commission could not be satisfied that the second of the two jurisdictional pre-requisites of s.789FF(1) could be met. The Full Bench found no error in the decision of the Deputy President and accordingly the appeal was dismissed.

The 12-month review of anti-bullying matters

In early 2015 the Commission undertook a review of the case management process adopted for anti-bullying matters.

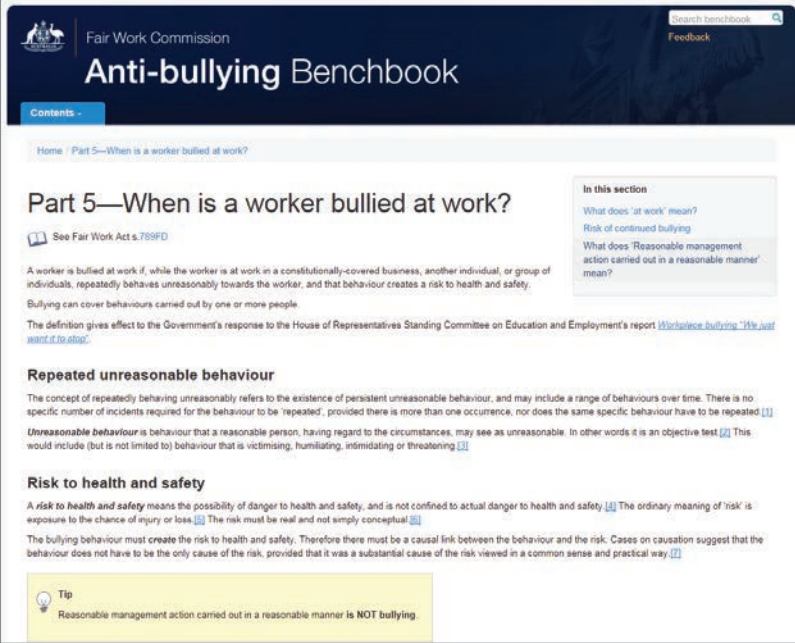
As part of this review, the Commission held two anti-bullying forums. One forum was conducted in Melbourne on 10 March 2015 and the other in Sydney on 12 March 2015. Attendees were invited based on those representatives and groups that had had an involvement with matters being dealt with in the jurisdiction including employer organisations and unions, legal practitioners, workplace health and safety authorities, government agencies, academics and Commission Members and staff. The forums consisted of presentations, and panel and plenary discussions involving key stakeholders in the jurisdiction.

A majority of attendees found that it was a valuable experience that provided an insight into the jurisdiction and how it was progressing. The discussions that arose during the forums provided an opportunity for the Commission to gather feedback and understand how effectively the jurisdiction was working. The case management model and the operations of the jurisdiction were noted in positive terms.

Actions arising

As a result of the feedback provided at the forums, a number of actions were identified including:

- reviewing and updating the Commission results and demographic frameworks to improve statistical reporting
- research into the relationship of anti-bullying applications with other Commission applications, in particular general protection applications
- reviewing and updating public information related to the practical operation of the jurisdiction, including reviewing the Anti-bullying Benchbook and the Anti-bullying Guide to reflect what to expect from the actual experience
- reviewing and updating the Commission's forms to assist both parties and the Commission
- considering further support mechanisms for parties suffering from mental health issues.



The screenshot shows the Fair Work Commission's Anti-bullying Benchbook website. The header includes the Fair Work Commission logo and the title 'Anti-bullying Benchbook'. A search bar and a 'Feedback' link are visible in the top right. The main content area is titled 'Part 5—When is a worker bullied at work?' and includes a link to 'See Fair Work Act s.789FD'. The text defines bullying as repeated unreasonable behaviour that creates a risk to health and safety. It also includes sections on 'Repeated unreasonable behaviour' and 'Risk to health and safety'. A tip box at the bottom states: 'Reasonable management action carried out in a reasonable manner is NOT bullying.'

The Commission updated the Anti-bullying Benchbook in 2014–15.

Regulating registered organisations

Regulating registered organisations involves administering the provisions of the *Fair Work (Registered Organisations) Act 2009* (Registered Organisations Act) that deal with the registration and accountability of unions and employer associations. The Registered Organisations Act outlines the standards that federally registered organisations must meet in relation to their finances, financial affairs, rules, elections and the conduct of officers.

During the reporting period, the Commission developed a sector profile of federally registered organisations based on information and data they lodge every year. This will help the Commission to better understand regulated entities, their compliance trends and their vulnerabilities in meeting required standards.

Information gathered to date indicates that federally registered organisations represent more than 2 million members across Australia, receive annual revenue of around \$1.3 billion, and own or control more than \$2.2 billion in assets.

In 2014–15 the Commission achieved a number of milestones in its regulation of registered organisations by:

- achieving, for the first time, 100 per cent voluntary compliance with the lodgment of Annual Returns on time
- recording a high voluntary compliance level of 95 per cent of financial reports lodged on time, which increased to 98.75 per cent following Commission intervention
- developing a comprehensive risk-based approach to the regulation of registered organisations
- developing new performance measures against the Commonwealth Regulator Performance Framework for implementation in 2015–16
- continuing the collection and analysis of data to build a comprehensive profile of registered organisations and a picture of their compliance trends and vulnerabilities
- using a diverse, proactive and tailored range of communication methodologies to engage with registered organisations and assist in increasing their levels of voluntary compliance
- continuing to undertake inquiries and investigations, any of which have the potential to result in Federal Court proceedings
- significantly improving the timeliness for assessing and finalising lodged matters
- monitoring and reviewing its internal procedures and achievements.



In Focus

Registered Organisations

A significant improvement in voluntary compliance by federally registered organisations in the past 12 months is in part the result of a more proactive and education-focused approach by the Fair Work Commission.

For the first time, there has been a 100 per cent compliance rate for the lodgment of annual returns and a 98 per cent compliance rate for lodgment of financial reports. This is a significant improvement on recent years.

“ The next step for us is the quality of the information contained within those returns. If we can increase the quality, that’s going to give the public and give members of registered organisations a greater sense of confidence.

Chris Enright, Director, Regulatory Compliance.

The Commission’s Regulatory Compliance Branch oversees more than 100 registered organisations, with around 400 reporting units. These are unions and employer associations that are registered under the *Fair Work (Registered Organisations) Act 2009* (Registered Organisations Act).

The improvement in voluntary compliance comes after a change of focus for the Commission.

‘Being a reactive regulator wasn’t achieving what we wanted to achieve. We’re now being proactive and we get out there,’ Chris Enright said. ‘We’re on the phone on a daily basis. People had not known in the past how to increase their own compliance and they haven’t known where to go.’

Image: The Traffic Management Association is one of the more than 100 registered organisations that are registered under the Registered Organisations Act.

continued on the next page

SCAN FOR VIDEO



The Regulatory Compliance Branch has implemented a strategy of:

- creating new education materials to demonstrate proper compliance to registered organisations, and
- consulting closely with organisations to help them individually achieve compliance.

The Commission also has model financial statements, model annual returns and model reports available to assist registered organisations to meet the requirements of the Registered Organisations Act, available on its website, together with recorded webinar education sessions.

Meanwhile, the Regulatory Compliance Branch is in regular, direct contact with many organisations to assist them to individually achieve compliance and improve the quality of the information provided in returns.

“ The feedback I get is that they’re very positive about it and they see it’s not a faceless organisation. We are somewhere they can go for assistance and they know they’ll get a positive response.

Chris Enright, Director, Regulatory Compliance.

Independent Education Union of Australia

The Independent Education Union of Australia (IEUA) is a complex organisation which has been undergoing a period of change. 'There wouldn't be a month that goes past without us ringing up the Commission for clarification around our reporting obligations,' according to the IEUA's Anthony Odgers.

Many of the union's organisers and delegates are teachers rather than full-time officials. Anthony Odgers said it could often be difficult for them to come to grips with the complexities of the Registered Organisations Act. 'Compliance is a lot harder than it used to be – we don't expect it to get any easier,' he said.

He welcomes the Commission's consultative approach, which allows people from the union to meet with Commission staff and get a simple, immediate response that can help them to move forward.

Traffic Management Association of Australia

The Traffic Management Association of Australia (TMAA) is a relatively new organisation that represents around 70 companies who provide traffic management for building sites, roads and events. It relied heavily on the Regulatory Compliance Branch to ensure its launch structure and procedures were correct and that its ongoing reporting is of the highest possible standard.

'I would certainly recommend any other organisation to pick up the phone and contact the Fair Work Commission for assistance,' the TMAA's Brendan Woods said. 'By contacting the Commission we ensure that we are compliant with rules and regulations. We've also found they've made a lot of contact with us and assisted us with things like rule changes and definitions.'

Risk-based approach

The Commission has developed a comprehensive risk-based approach to the regulation of registered organisations for implementation in 2015–16. This approach aims to effectively manage the risks arising from the regulatory framework of registered organisations, while at the same time minimising the regulatory burden on regulated entities.

In practice, the risk-based approach means that the Commission will focus its regulatory activities and resources on regulated entities and areas where the risks of possible or actual non-compliance are greatest.

The risk-based approach helps to ensure:

- that the Commission takes a consistent approach to decision-making, and that regulatory responses are commensurate with risk
- certainty and predictability for regulated entities about Commission decisions because regulatory responses are based on risk
- increased voluntary compliance because regulated entities will be encouraged to maximise compliance.

The Commission has also introduced a risk-based approach in its regulation of financial reporting by registered organisations. In July 2013 it developed primary and advanced checklists for selective assessment of financial reports on the basis of identifiable risk. Each financial year, around 20 to 25 per cent of financial reports lodged by reporting units of registered organisations are subject to advanced assessment. All reporting units will be subject to an advanced assessment at least once every five years.

Regulator Performance Framework

During the reporting period the Commission developed measures to assess its performance as the regulator of registered organisations. This is in part a response to the government's release of its Regulator Performance Framework, as well as in recognition of the need to more meaningfully assess its performance as a regulator.

The government's framework aims to reduce the cost of unnecessary or inefficient regulation imposed on regulated entities, including organisations registered under the Registered Organisations Act. The government has determined six key performance indicators and all Commonwealth regulators are required to develop their own measures of performance against these indicators for implementation from July 2015.

The key performance indicators and the Commission's performance measures are published on its website.

Intelligence product – Picture of Compliance in Australia

The Commission is building a ‘Picture of Compliance in Australia’ which provides a profile of federally registered organisations. This new intelligence tool includes information about what federally registered organisations are, who they represent, how they are structured, their financial performance and compliance trends and vulnerabilities.

It aims to build a comprehensive profile of all registered organisations, providing greater insight into levels of compliance and areas of risk. This will inform the Commission’s risk-based approach and assist it in determining where best to devote its resources in order to achieve high levels of compliance.

In particular, it will identify where improved education and engagement would be beneficial, as well as areas where the Commission should escalate its enforcement activities.

Engagement

The Commission places a high importance on engaging with registered organisations to help achieve continuous improvement and higher levels of voluntary compliance. Throughout the year it has proactively engaged with a range of stakeholders, including peak bodies and other regulators.

Engagement activities have included knowledge exchange through webinar technology, which has facilitated interactive communication. The Commission knows from the feedback received that stakeholders overwhelmingly consider webinars an appropriate form of communication for it to deliver information and exchange knowledge.

The Commission has committed to engaging with stakeholders prior to implementing significant change. An example of this is how the Commission worked with stakeholders to update its registered organisations web content. During this process the Commission consulted with representatives of registered organisations and other relevant stakeholders to understand their needs prior to developing the content. Stakeholders had a further opportunity to test and provide further feedback on functionality and content before the pages were launched. Post implementation feedback confirmed a seamless and efficient transition to better registered organisations web content.

Streamlining requirements

The Commission publishes template documents on its website for use by registered organisations. These templates streamline processes for registered organisations, making it faster, cheaper and simpler for registered organisations to comply with their regulatory obligations. In 2014–15, the Commission streamlined the application form for work health and safety (WHS) permits to include provision for an electronic signature of the permit holder. This instantly resulted in a more efficient system of permit administration.

The Commission also published model financial statements which enabled registered organisations to step through the vast array of financial reporting requirements with greater ease. The model statements also assist auditors by ensuring that the relevant provisions of the Registered Organisations Act, the *Fair Work (Registered Organisations) Regulations 2009*, the Reporting Guidelines issued under s.255 of the Registered Organisations Act, and the relevant Australian accounting standards, are clearly identified and therefore more easily complied with. Streamlining these requirements opens auditing opportunities to a more competitive range of auditors, including small business auditors who otherwise may not have had the resources to undertake this niche work.

Proactive enforcement of lodgment deadlines

The Commission's proactive intervention in enforcing lodgment deadlines contributed to 100 per cent of annual returns being lodged within the statutory timeframe in 2015.

This is a dramatic improvement from 2010–11 when only 64.6 per cent of registered organisations lodged Annual Returns on time.

In 2010–11 only 79.3 per cent of registered organisations lodged financial reports on time but in 2014–15 the voluntary compliance rate had increased to 95 per cent, which increased to a further record high level of 98.75 per cent following intervention by the Commission.

Registered organisations are required to lodge information with the Commission by 31 March in each year (the annual return). Figure 15 shows – for each of the last five years – how many Annual Returns were lodged in accordance with the statutory timeframes, how many were lodged after Commission intervention and how many were not lodged. The number of returns that were lodged by 31 March is collected on the first working day in April. If a return was not lodged by 31 March the Commission would actively intervene to enforce lodgment.

At the end of each reporting period, the Commission collates the number of returns that were lodged following its intervention and the number of returns not lodged. This is reported in Table 31 and displayed in Figure 15.

Figure 15: Annual Returns compliance

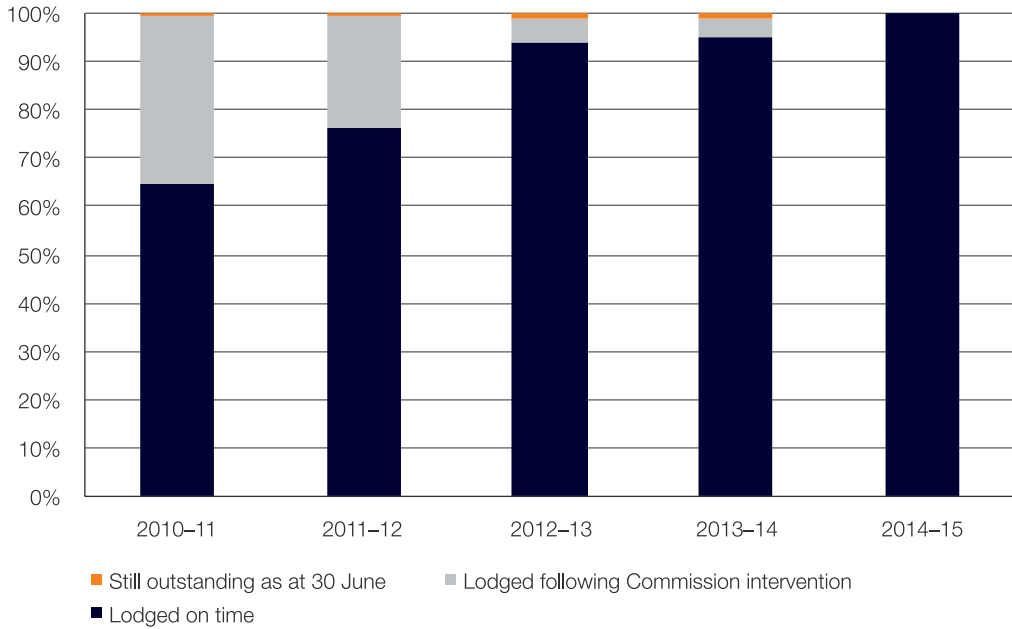


Table 31: Registered organisations – Annual Returns compliance

	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15 ¹	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Lodged on time	152	62.81	157	64.61	179	76.50	217	93.94	197	95.17	111	100
Lodged following Commission intervention	89	36.78	85	34.98	54	23.08	12	5.19	8	3.86	0	0
Still outstanding as at 30 June	1	0.41	1	0.41	1	0.43	2	0.87	2	0.97	0	0

¹ In 2014-15 the Commission only accepted Annual Returns from federal organisations. In previous years the figures included Annual Returns from federal organisations and some of their branches, hence the lower figure in 2014-15.

Discrete reporting units within registered organisations are required to lodge a financial report with the Commission, unless the reporting unit has successfully applied for an exemption (based on financial reporting on an alternative basis under ss.245–248 of the Registered Organisations Act).

Prior to the lodgment date, the Commission proactively reminds every reporting unit of its obligation to lodge its financial report each year. Figure 16 shows – in each of the last five reporting years – how many financial reports were lodged in accordance within the statutory timeframes; how many were lodged after Commission intervention and how many were not lodged.

The data regarding lodgment in accordance with the statutory timeframes is collected on the various dates throughout the year by which financial reports must be lodged because not every reporting unit's financial year ends on 30 June. The data regarding the number lodged following intervention by the Commission and the number outstanding were collated at the end of each reporting year.

The Commission analyses and individually addresses each case of non-compliance. This data is reported in Table 32 and displayed in Figure 16.

Figure 16: Financial reporting compliance

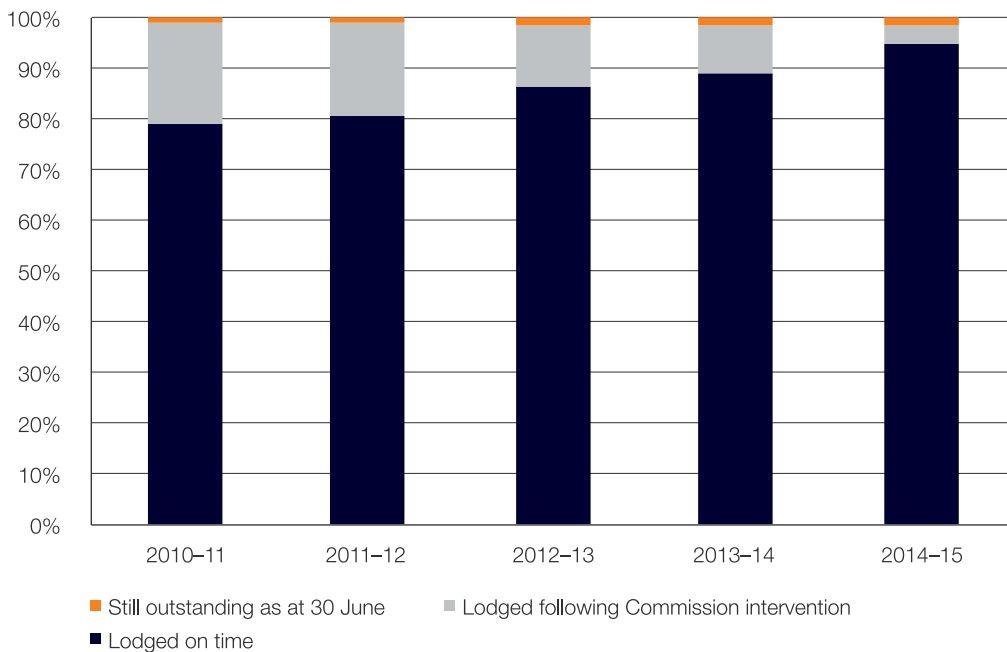


Table 32: Registered organisations – financial reporting compliance

	2009–10		2010–11		2011–12		2012–13		2013–14		2014–15	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Lodged on time	241	60.25	318	79.30	319	80.76	332	86.46	342	88.83	380	95.00
Lodged following Commission intervention	155	38.75	80	19.95	73	18.48	46	11.98	37	9.61	15	3.75
Still outstanding as at 30 June	4	1.00	3	0.75	3	0.76	6	1.56	6	1.56	5	1.25

Proactively improving the quality of financial reporting

The Commission's proactive enforcement of lodgment deadlines is just one quantitative measure of compliance. In 2014–15 the Commission focused on measuring the content quality of financial reports. Measures of quality include that: the reporting unit has appropriately disclosed whether it is a going concern; all statutory timeframes have been met; all required documents are lodged; appropriate notes regarding the preparation of the accounts are made; and subscriptions fees, capitation fees, related party information and employee expenses are disclosed.

The Commission is confident that compliance will further increase through a new focus both on the quality of content as well as continued and intensive engagement and advice to reporting units and their auditors from its financial specialists.

Proactively improving compliance with election obligations

The Commission has implemented a systematic approach to monitoring registered organisations' compliance with their statutory obligations in relation to elections.

In 2014–15, the Commission identified that registered organisations were not achieving high levels of voluntary compliance with the requirement to lodge prescribed information for elections within statutory timeframes. Consequently the Commission has developed a proactive strategy to increase voluntary compliance. This includes engaging with non-compliant organisations to ensure that they understand their obligations, and publishing a range of decisions highlighting its concerns about election compliance as a method of communication and awareness-raising.

Planning is also underway to deliver a webinar in 2015–16 aimed at increasing overall awareness of election obligations.

In addition, the Commission conducted an audit of registered organisations that held election exemptions, the majority of which were granted in the 1980s and 1990s. The Registered Organisations Act allows a registered organisation or branch to obtain an exemption from having its elections:

- conducted by the Australian Electoral Commission (AEC), and/or
- conducted by secret postal ballot.

Since 1988 more than 150 AEC and postal ballot exemptions have been granted and, in normal circumstances, an exemption continues until revoked under the legislation.

The Commission is reviewing all of the exemptions that remain in force to establish if the grounds upon which the exemption was originally granted are still relevant. This will require detailed liaison with each of the relevant registered organisations through the next financial year.

Entry permits

In 2014–15 the Commission adopted a new process for dealing with applications for right of entry permits to ensure a more transparent and equitable approach.

Non-routine applications which might benefit from the making of formal submissions or the calling of evidence are now considered by the Registered Organisations Panel. Routine applications continue to be considered by the Delegate of the President.

This provides parties in non-routine matters a better opportunity to be heard at a tribunal hearing and assists the Commission to ensure the efficient management of entry permits.

In 2014–15 three applications for permits were formally refused. The average time to issue a permit from receipt of the application was 17 days.

Table 33 reports the number of applications for an entry permit made under s.512 of the Fair Work Act during the reporting period; the number of entry permits that were issued during that time and the number of entry permits that were refused during the same period.

Table 33: s.512 Fair Work entry permits 2014–2015¹

	No.	Average time to issue an entry permit
Applications for entry permits	1481	
Entry permits issued	1487	17 days
Entry permits refused	3	

¹ The number of permits issued and refused will not equate to the number of applications received in the reporting period, as applications processed includes applications that were received during earlier reporting periods.

The Commission must be satisfied that a proposed permit holder is a fit and proper person to hold an entry permit in accordance with the Fair Work Act. This includes consideration of whether a proposed permit holder has received appropriate training.

The Commission has previously approved a number of training packages, successful completion of which would usually demonstrate that a proposed permit holder had received sufficient and appropriate training.

The Commission has now committed to review the previously approved training packages in 2015–16 to ensure they continue to meet contemporary training requirements.

Inquiries and investigations

During 2014–15 the Commission continued to meet its inquiries and investigations function. As at 30 June 2015, six inquiries and four investigations were ongoing (see Table 34). Two new inquiries were commenced in the reporting period, in March and May 2015 respectively, and five inquiries were concluded.

Table 34: Inquiries and investigations Chapter 11 Part 4 Registered Organisations Act

	No. as at 30 June 2014	No. initiated/ recommended 2014–15	No. closed 2014–15	No. as at 30 June 2015
Inquiries	5	6	5	6
Investigations	6	2	4	4

Four investigations continued through the year, having been carried over from the previous reporting period, while another four investigations were concluded. Of the four investigations that concluded, one investigation had been suspended previously pending the outcome of cancellation of registration proceedings, and another commenced and concluded within the year.

As a result of the investigations, the General Manager commenced Federal Court proceedings against the Australian Nursing & Midwifery Federation, Western Australia Branch in late August 2015. Federal Court proceedings were also commenced against the Musicians' Union of Australia and its Federal Secretary in October 2014.

In addition, the Commission's Regulatory Compliance Branch conducted preliminary assessments of another 13 complaints relating to the actions of registered organisations and/or their officers to determine if the alleged complaints had merit and/or came within its jurisdiction to undertake inquiries.

Action against the Health Services Union officials

Mr Craig Thomson

This proceeding substantially reflects findings of the investigation conducted by the General Manager into Mr Craig Thomson's alleged misuse of union funds during his time as National Secretary of the Health Services Union (HSU). This included alleged expenditure on both personal items and services as well as on his electoral campaign in the seat of Dobell in the 2007 Federal Election.

The Federal Court proceedings in this matter concluded on 10 April 2015, however, at the end of the reporting period, the judgment was still reserved.

The decision was subsequently handed down on 11 September 2015, with a penalty hearing set down for 9 November 2015.

Reference: General Manager of the Fair Work Commission v Craig Thomson [Federal Court] VID 798/2012. See also: *General Manager of the Fair Work Commission v Thomson* [2013] FCA 380; *General Manager of the Fair Work Commission v Thomson (No 2)* [2015] FCA 308

Action against the Musicians' Union of Australia

In October 2014 the General Manager commenced proceedings in the Federal Court against the union and its Federal Secretary, Mr Terence Noone. The proceedings are a result of four separate investigations into the Musicians' Union of Australia concerning the Federal Office and the Sydney, Melbourne and Hobart Branches which concluded in February 2014.

The allegations against the union relate to a failure to prepare, lodge and provide to members financial and operating reports for the Federal Office and Melbourne Branch over a number of years.

The proceedings against Mr Noone allege that he did not adequately discharge his duties with the required standard of care and diligence in relation to the financial reporting requirements of the union, specifically the Federal Office, Melbourne and Sydney branches.

In December 2014, Jessup J ordered that the parties participate in mediation. A court conference was held in late June 2015. The matter is ongoing.

Reference: *General Manager of the Fair Work Commission v Musicians' Union of Australia & Anor* [MID620/2014]

The Commission's performance

The Commission's Organisations Panel deals with various types of applications made by registered organisations, including applications for registration, changes to eligibility rules and cancellation of registration. The Panel also considers non-routine applications for entry permits made under the Fair Work Act.

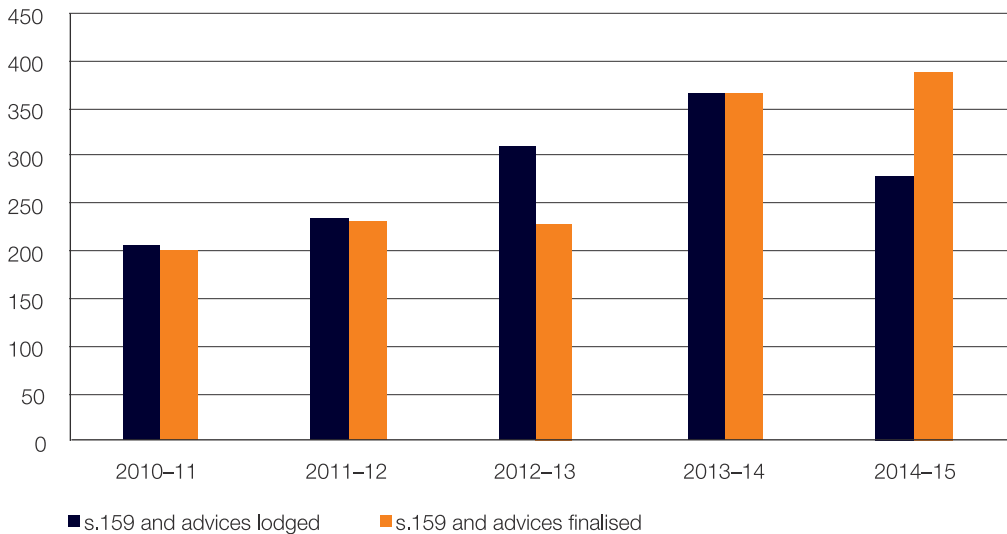
Table 35 reports the number of matters under the Organisations Panel's jurisdiction that were finalised in 2014–15. Twenty-six matters were finalised in 2014–15, compared with 39 in 2013–14. The numbers in 2013–14 were unusually high, in particular cancellation of registrations, as the Regulatory Compliance Branch referred defunct organisations to the Panel for cancellation. Also many organisations took the opportunity to review their rules, including changes to eligibility rules.

Table 35: Registered organisations – finalisation of matters in the jurisdiction of the Organisations Panel

Application type	Section of the Registered Organisations Act	No. finalised 2013–14	No. finalised 2014–15
Orders about representation rights to organisations of employees	s.137A	0	1
Membership Agreement with State Registered Union	s.151(1)	1	1
Change of name	s.158(1)(a)	5	1
Changes to eligibility rules	s.158(1)(b)	18	11
Registration of association of employers	s.18(a)	3	4
Registration of association of employees	s.18(b)	4	3
Cancellation of registration	s.30	7	5
Submission of amalgamation to ballot	s.44(1)	1	0
Total		39	26

The Commission's Regulatory Compliance Branch has continued to ensure high clearance rates of other matters lodged under the Registered Organisations Act as well as routine applications for entry permits made under the Fair Work Act and applications for WHS permits made under the *Work, Health and Safety Act 2011*. In particular, 388 notifications of alterations to rules and requests for advice were finalised in 2014–15, compared with 280 that were opened (see Figure 17). The Commission finalised 501 Financial Returns¹ in 2014–15, compared with 403 opened, and 240 Annual Returns were finalised compared with 124 that were opened (see Figures 18 and 19).

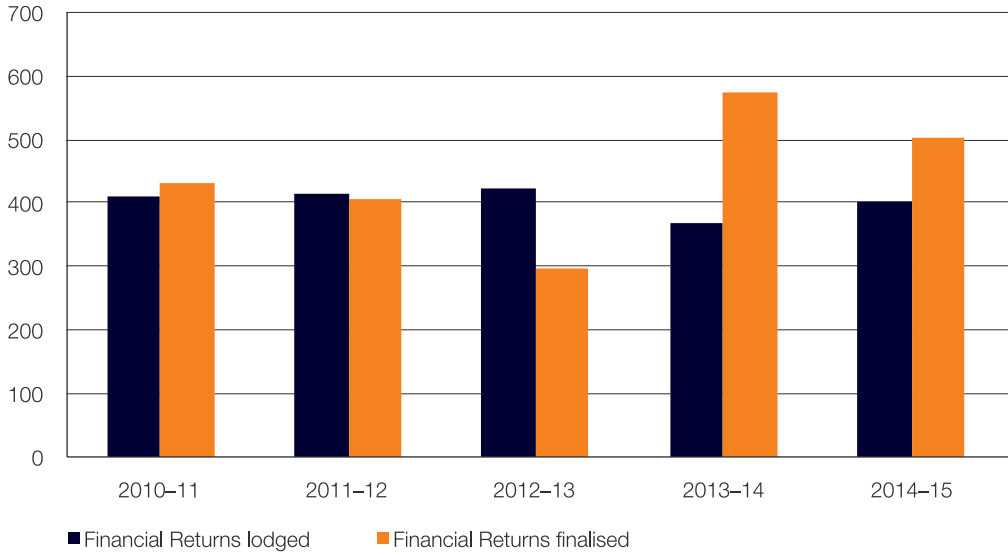
Figure 17: Clearance rate of rules and advices



For source data see Table G10.

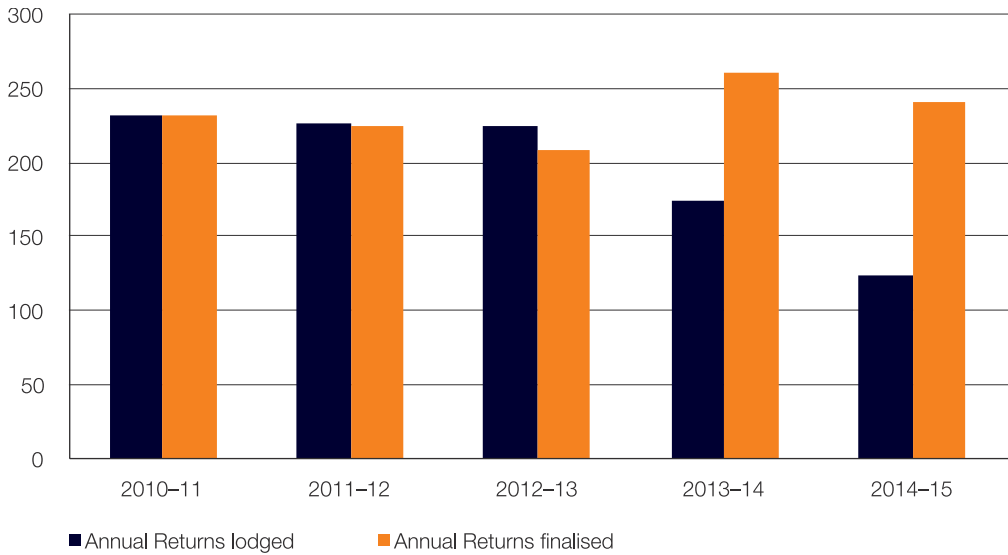
¹ Financial Returns includes financial reports lodged under s.268 of the Registered Organisations Act, s.268 of the RAO Schedule to the *Workplace Relations Act 1996*, as well as applications for s.269 certificates and s.271 certificates.

Figure 18: Clearance rate of Financial Returns



For source data see Table G11.

Figure 19: Clearance rate of Annual Returns



For source data see Table G12.

The Regulatory Compliance Branch measures its performance against targets such as its timeliness in assessing financial reports, alterations to rules and annual returns once a matter has been lodged with the Commission (see Table 36). It also measures the time it takes to issue a permit or make an arrangement for an election after an application or notification has been lodged. In the previous annual report data regarding entry permit targets, the Commission did not distinguish between routine and non-routine entry permits.

In Table 36, the Commission has reported, among other things, the performance target for the 1468 routine permits issued this year. It is noted that an additional 18 permits were referred to and addressed by the Commission. Its timeliness has significantly improved compared with last year. It has also been able to increase performance output as a result of a number of strategies, including implementing a risk-based approach to financial reporting, and improving the quality of documents lodged so that assessment and finalisation is faster and more efficient.

Table 36: Regulatory Compliance Branch performance targets for 2014–15

Performance targets	Target	Result	No.
95% of financial reports required to be lodged under the Registered Organisations Act are assessed for compliance within 40 working days	95% within 40 working days	96.3	392
95% of routine entry permits to be finalised within 40 working days	95% within 40 working days	96.0	1468
95% of WHS permits to be finalised within 100 working days	95% within 100 working days	92.2	47
95% of elections to be finalised within 40 working days	95% within 40 working days	97.1	234
95% of annual returns to be assessed within 40 working days	95% within 40 working days	89.4	101

Not all performance measures have been met. The target for Annual Returns was not met due to a backlog of this kind of work in the first half of this financial year. This was reversed in the second half of this financial year when every annual return was assessed in accordance with the 40 working day target. It is anticipated that finalisation of applications for WHS permits will be more timely with the introduction of a streamlined application form. The measure for finalising WHS permit applications in 2015–16 will be 95 per cent within 40 working days.

Monitoring and reviewing the Commission's procedures and achievements

During the financial year the Commission has reviewed many of its processes and as a consequence implemented a number of changes to the way it will regulate registered organisations. Some changes are quite small, but will have a positive impact on the timeliness in which it performs its work, such as the improvements to the WHS application form. Other changes are significant, such as the adoption of a risk-based approach. This approach will be closely monitored and reviewed to ensure continuous improvement.

In 2014–15 the Commission achieved a considerable improvement in compliance by registered organisations. However there is room for more improvement. A combination of educative, audit and enforcement tools will be used in 2015–16 to ensure compliance continues to improve.

Key performance indicators

Table 37: Key performance indicators

Key performance indicators	Budget target ¹	Actual results				No. of matters			
		2014–15	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14
Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications	Median time of 34 days	28	25	46	28	10,073	11,424	11,427	11,601
Improve or maintain time taken to list applications relating to industrial action	Median time of 3 days	3	3	2	3	889	719	498	382
Improve or maintain the agreement approval time	Median time of 32 days	17	16	17	21	8149	7149	6800	6005
Annual wage review to be completed to enable an operative date of 1 July	By June 2015	1 June 2012	3 June 2013	4 June 2014	2 June 2015	–	–	–	–

Key performance indicators	Budget target ¹	Actual results				No. of matters			
		2014–15	2011–12	2012–13	2013–14	2014–15	2011–12	2012–13	2013–14
95% of financial reports required to be lodged under the <i>Fair Work (Registered Organisation) Act 2009</i> are assessed for compliance within 40 working days ²	95% / 40 days	–	–	37.7%	96.3%	–	–	161	392

1 The Commission has used the budget targets from the 2013–14 Portfolio Budget Statements as a guide as the 2014–15 Portfolio Budget Statements were silent on budget targets.

2 This KPI was a new addition to the Portfolio Budget Statements in 2013–14.

This year the Commission met all five of its key performance indicators (KPIs) set out in the Portfolio Budget Statements.

Time elapsed from lodging applications to finalising conciliations in unfair dismissal applications

In the 2013–14 year, the Commission did not meet this KPI due to factors such as several conciliator positions becoming available and a spike in lodgments in the period July–September 2013 that created a backlog of applications.

In the 2014–15 year, the Commission was able to improve the median time taken from lodging applications to finalising conciliations in unfair dismissals to 28 days, decreasing the previous year's median by 18 days and meeting the KPI of 34 days.

The Commission committed to meeting this KPI and took a number of measures to assist in addressing the backlog, including cross-skilling staff across the organisation to assist during peak times; converting files to an electronic-only administrative system; diverting some applications directly to Commission Members for a threshold jurisdictional decision and improving systems to maximise the number of conciliators available to conduct conferences.

Time taken to list applications relating to industrial action

The Commission's performance against this KPI this year was consistent with previous years, with a median time of three days taken to list applications relating to industrial action.

The Commission actively took steps to ensure this KPI was reached and matters were resolved efficiently. A key example of this was listing matters outside of normal business hours to ensure they were dealt with in a prompt and timely manner. For further information on these matters see pages 86–92.

Agreement approval time

The Commission has consistently exceeded the Portfolio Budget Statements' KPI in relation to agreement approval, which sets 32 days as the target median approval time.

During the 2014–15 reporting period, 50 per cent of agreement applications were finalised within 21 days of lodgment, an increase of four days compared with the previous reporting period. This may partially be attributed to an above expected level of lodgments during November and December 2014 combined with a high number of Members taking leave during this period. This led to an increase in timeframes for finalisation for the third quarter of the reporting period.

As noted in the 2013–14 Annual Report, the Commission reviewed the agreement approval process to identify ways in which it could improve.

Following this review, a pilot was introduced in October 2014 to assist with the prompt finalisation of these applications. By 30 June 2015, 50 per cent of applications dealt with in the pilot and approved under s.186 of the Act were being finalised within 10 days of lodgment.

For further information in relation to approval of agreements and the Agreements Pilot see page 99.

Annual wage review to be completed

The Commission maintains a number of measures to ensure the annual wage review is able to operate from 1 July each year, as was the case in the 2014–15 reporting period.

Steps have already been taken to reach this KPI for the next reporting period by commencing preparations for the 2015–16 Annual Wage Review, including completing the initial planning and timetabling for research and support over the coming year.

For further information see page 83.

Financial reports lodged under the Registered Organisations Act assessed

The KPI to assess 95 per cent of financial reports lodged under the Registered Organisations Act for compliance within 40 working days was introduced for the first time during the 2013–14 financial year. In 2013–14, 37.7 per cent of financial reports lodged were assessed for compliance within 40 working days. For the 2014–15 financial year this figure increased to 96.3 per cent.

A factor which contributed to the Commission's success in meeting this KPI was the introduction of a risk-based approach to the assessment of financial reports. This enabled the Commission to more efficiently direct its resources to ensure a timely assessment process occurred.

By creating model financial statements, which were readily accessible to all registered organisations, the Commission improved compliance levels for financial reports. This increase in compliance also led to a decrease in the time spent by the Commission in assessing individual financial reports.



4



Management and
accountability

4 Management and accountability

Corporate governance

In 2014–15 the Commission undertook a range of corporate governance activities to achieve high levels of accountability and transparency. As in the previous year, a key goal in its business plan was to be an effective, high-performing and accountable Australian Public Service (APS) agency. Its corporate governance activities were overseen by the Executive, with support from a number of committees.

The Executive

The Executive comprises the most senior managers in the Commission's administration. It is chaired by the General Manager and meets fortnightly to discuss key planning and operational issues.

In 2014–15 the Executive was comprised of:

- General Manager – Bernadette O'Neill
- Director, Client Services – Louise Clarke
- Director, Corporate Services – Miranda Pointon (July to December 2014)
- Acting Director, Corporate Services – Ailsa Carruthers (from January 2015)
- Director, Regulatory Compliance – Chris Enright
- Director, Tribunal Services – Murray Furlong.

Fair Work Commission committees

Procurement Committee

The Procurement Committee is managed by the Manager, Reporting, Planning and Legal and includes other senior managers in the organisation. It has a pivotal role in ensuring that procurements made by the Commission are consistent with Australian Government procurement rules and that procurement is actively managed. The Procurement Committee assesses procurements over \$80,000.

Audit Committee

The Audit Committee's objective is to provide assurance to the General Manager regarding the Commission's financial and performance reporting responsibilities, risk oversight and management, systems of internal control and internal audit. The committee meets at least four times each year.

The General Manager appoints committee members. In 2014–15, the Audit Committee was chaired by an external independent committee member. Internal committee members were the Director, Client Services, the Director, Corporate Services (until December 2014) and a senior manager (from January 2015).

The composition of the Audit Committee changed at the end of the reporting period in order to comply with s.17(4) of the *Public Governance, Performance and Accountability Rule 2014*, which requires that on and after 1 July 2015 the majority of committee members must be persons who are not officials of the Commission. The Audit Committee now consists of one senior manager of the Commission, two external independent members and a chair who is also an external independent member.

Staff Consultative Committee

The Commission has a well-established and functioning consultative and communication forum with a charter to consider matters affecting the workplace. The Staff Consultative Committee was established and is maintained by its inclusion in the Commission's enterprise agreement.

The committee includes:

- the General Manager
- management representatives
- employee representatives
- a union official.

The committee endeavours to meet at least three times each year.

Major Projects Control Committee

The Major Projects Control Committee was established during the reporting period. The committee is comprised of the Executive and other senior managers of the Commission. The committee has responsibility for the high-level strategic governance of major organisational and capital expenditure projects. The committee meets on a monthly basis.

Planning and development

Business planning

Commission staff members are guided by a business plan which aims to provide independent, efficient and highly-regarded workplace relations services. The plan underpins branch plans for each of the Commission's four branches and its staff performance management framework.

During the reporting period the Commission began developing strategic goals to underpin its work for the next three to four years. Having already developed draft goals for administrative staff early in the reporting period, the Executive and senior managers subsequently worked with Commission Members to ensure that these goals would support the Commission's work.

The goals are the foundation of the Corporate Plan which was developed to meet the requirements of the enhanced Australian Government Performance Framework which was implemented through the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) from 1 July 2015. The Corporate Plan sets out the objectives and strategies the Commission intends to pursue to achieve its goals. The plan covers four reporting periods and will be reviewed and published on the Commission's website every year by 31 August.

The four strategic goals in the Corporate Plan are:

- The community understands the role of the Commission and recognises it as an independent, expert tribunal.
- The Commission is accessible to all Australians, recognising the community's diverse needs and expectations.
- The Commission is accountable and transparent.
- The Commission is an effective, proactive regulator of registered organisations with high levels of compliance by organisations with legislative obligations.

The Commission's Corporate Plan was published on its website on 31 August 2015.

Performance and development framework

Guided by the *Australian Public Service Commissioner's Directions 2013*, the Commission remains committed to developing a high-performing workplace.

With the continuation of the *Fair Work Australia Enterprise Agreement 2011–14* (FWAEA) past its nominal expiry date of 30 June 2014, the performance and development framework from previous years remained in place during the reporting period.

The framework links individual behaviours, performance and development with organisational goals.

It aims to:

- set performance standards and expectations
- provide employees with the opportunity to give and receive feedback
- identify professional development opportunities aligned with the Commission's core skill requirements
- recognise staff contributions beyond their immediate work area
- enable the development of goals common to a group of employees
- ensure that employee behaviour is consistent with the Commission's values
- consistently apply performance ratings at mid-year and end-of-year assessments.

The enterprise agreement requires all staff employed for at least three months to have an individual performance and development plan. In 2014–15, plans were in place for 96.1 per cent of staff, the only exceptions being those on long-term leave.

Learning and development

The Commission continues to offer learning and development opportunities through a range of learning options including short courses, online and e-learning, support for staff undertaking formal study and coaching/mentoring opportunities. Individual professional development is directly linked to the Commission's performance and development framework and aims to create a more capable workforce to meet current and future needs.

In 2014–15 the Commission spent \$442,472 excluding the goods and services tax (GST) on learning and development. This covered all staff training across the Commission, including study assistance and core skills training in areas such as people management and leadership, administration, legislation, technology, project/program management and communication.

In 2014–15 the Commission ran a formal leadership program for the Executive and Senior Management Group which will continue into the next reporting period. The program built on a range of previous initiatives and consisted of workshops, individual leadership profiles, leadership insight group sessions and executive coaching.

During the reporting period the Commission also identified change management training as an organisation-wide developmental activity for all staff. The Executive and senior managers participated in workshops in July and August 2014 and the Commission provided 'Dealing with change' workshops to all staff in June 2015.

In November 2014 the Commission developed and implemented two e-learning modules concerning anti-discrimination, bullying and harassment and the public interest disclosure scheme. In addition, it ran a number of in-house training programs including:

- Performance and development plan refresher programs reinforcing the objectives of performance management and aligning staff goals with the organisation's goals.
- A relief conciliator training program to provide voluntary training to Commission staff to assist with conducting unfair dismissal conciliation conferences during peak workloads.
- A conciliators' forum.
- An associates' forum.

Productivity gains

As part of its commitment to providing outstanding service delivery, the Commission introduced a number of learning and development initiatives designed to enhance its efficiency and productivity.

In particular, it introduced a new enterprise agreement triage team to support the Agreements Pilot and expanded its relief conciliator program.

The two programs have provided Commission staff with an opportunity to broaden their skills while providing more efficient and consistent service to parties.

The relief conciliator model means that additional conciliators can be drawn from an existing staff base on an 'as needs' basis to enable the Commission to better resource and respond to any peaks or troughs in unfair dismissal applications.

As of 30 June 2015 the Commission had also transitioned its former in-house payroll function to Aurion, an outsourced platform.

This streamlining of the payroll process means that existing payroll staff members are able to diversify their skills and provide additional support to the human resource functions of the Commission.

The Commission has also achieved productivity gains by placing a greater emphasis on the use of technology.

Over the last 12 months the Commission has moved towards paperless files for unfair dismissal matters and has trained staff appropriately in the use of technology to facilitate this. By using paperless files, manual processes have decreased and the speed with which files can be processed has improved.

Workplace health and safety

Management arrangements

The Commission has health and safety management arrangements (HSMA) consistent with the *Work Health and Safety Act 2011* (WHS Act).

Under the HSMA there is a statement of commitment, a workplace health and safety policy, consultation arrangements, agreed employer/employee responsibilities and WHS structures and arrangements. There are also provisions relating to workplace inspections, training and information and emergency procedures. The Commission has six designated work groups, six health and safety representatives (HSRs), and a national Health and Safety Committee, which met twice in 2014–15.

Initiatives taken during the year

In 2014–15 the Commission continued to promote a proactive approach to work health and safety. During the year the most significant workplace health and safety initiatives were:

- Strengthening quarterly reporting by managers through the provision of details of workplace health and safety matters raised, implemented and/or resolved.
- Providing workstation assessments and, where needed, rehabilitation case management services to meet the health, safety and rehabilitation needs of the workforce.
- Making the flu vaccination program available to all staff.
- Providing healthy lifestyle initiatives, including Pilates and yoga programs at lunchtime.
- Participating in R U OK? Day, which aims to promote the building of a more connected community and reduce the country's high suicide rate.
- Conducting regular campaigns encouraging staff to use services provided by the Commission's Employee Assistance Program provider.

Health and safety outcomes

The Commission is committed to maintaining and improving the health and wellbeing of its workforce. In 2014–15 there were no new compensation claims and eight accidents/incidents involving employees were reported.

The Commission closely monitors its compensation exposure and internal rehabilitation programs against broader APS considerations of compensation costs, the increasing incidence of longer-term injuries and more problematic claims, including those of a psychological nature. Its forecast workers' compensation premium rate has been reduced for 2015–16, at 0.65 per cent. The forecast premium rate is well below the 2015–16 forecast premium for all agencies, which is 2.04 per cent.

Reportable accidents and occurrences

Under s.38 of the WHS Act, the Commission is required to notify Comcare of any notifiable accidents or dangerous occurrences arising out of work undertaken by any of its employees. There were no occurrences in 2014–15.

Investigations

Under Part 4 of the WHS Act, the Commission is required to report any investigations conducted during the year into any of its undertakings. No investigations were conducted in 2014–15.

Other matters

Under Division 7, Part 5 of the WHS Act, HSRs are entitled to issue provisional improvement notices to address immediate risks to improve health and safety performance. No notices were issued in 2014–15.

Business continuity

During 2014–15 the Commission reviewed and maintained its business continuity plan. Continuing on from last year's focus on the development of information and communication technology (ICT) disaster recovery capabilities, a number of key projects were completed.

Significant upgrades to the ICT infrastructure as part of the Sydney office refurbishment saw the completion of a secondary (backup) data centre which included additional data storage, server hardware and internet and network links, giving a solid foundation to support the Commission's continuity of service.

The ICT disaster recovery plan is being developed to work in tandem with the business continuity plan. These plans will ensure limited downtime to the Commission and the services it provides into the future.

Ethical standards

The Commission's ethical standards are governed by a legislative framework common to most Australian Government agencies and include the:

- *Public Service Act 1999*
- *Public Service Regulations 1999*
- *Australian Public Service Commissioner's Directions 2013*
- *Public Governance, Performance and Accountability Act 2013*.

Information on ecologically sustainable development and environmental performance can be found at Appendix H.

Fair Work Commission values

The Fair Work Commission values guide the activities of staff and are designed to operate alongside the APS values.

The Commission's values are:

- commitment to service
- integrity
- independence
- leadership
- respect.

These values are intended to guide staff in their daily work and in their interactions with colleagues and the community. They are embedded in the recruitment and performance management processes that the Commission follows.

Freedom of information

Information Publication Scheme

The Commission is subject to the *Freedom of Information Act 1982* (FOI Act). Agencies subject to the FOI Act are required to publish information to the public as part of the Information Publications Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a s.8 statement in an annual report.

Each agency must display a plan on its website showing what information it publishes in accordance with the requirements. The Commission's plan can be found at www.fwc.gov.au/about-us/legal/information-publication-scheme.

FOI requests

This financial year the Commission received 35 FOI requests, up from 29 the previous year. This number includes requests which may have subsequently been transferred to another agency or withdrawn. FOI requests were managed by FOI officers within the Reporting, Planning and Legal Team.

Timeliness

The FOI Act requires the Commission to notify an FOI applicant that their request has been received no later than 14 days after the day on which the request is received. The Commission provided notification in accordance with this timeframe for 100 per cent of FOI requests received.

The FOI Act requires the Commission to notify the FOI applicant of a decision on their request no later than 30 days after the day on which the request was received. Where third-party consultation is required to process an FOI request, the FOI Act extends this timeframe by a further period of 30 days.

Where FOI requests are complex or voluminous, further extensions of processing time are allowed under the FOI Act by agreement with the FOI applicant or by application to the Information Commissioner. The Commission sought, and was granted, extensions of time by a delegate of the Information Commissioner in relation to one request this year.

The Commission issued decisions on FOI requests within the applicable timeframe for 100 per cent of those FOI requests which were received and which were not withdrawn or transferred to another agency.

Accountability

A range of audit activities were undertaken by internal and external auditors to provide assurance to the General Manager, the Audit Committee and managers within the Commission about risk-related activities.

External scrutiny

The Auditor-General issued an unqualified independent audit report on the Commission's 2014–15 financial statements. There were no other reports issued by the Auditor-General relating to the Commission in 2014–15.

There were no reports on the operation of the Commission by a parliamentary committee or the Commonwealth Ombudsman, and there were no agency capability reviews.

The General Manager and the Executive attended Senate Estimates hearings on 23 October 2014, 26 February 2015 and 2 June 2015. The President attended the Senate Estimates hearing on 26 February 2015.

Internal audit arrangements

Ernst & Young was appointed on 27 August 2014 to undertake the Commission's annual program of independent internal audits. The following internal audits were considered by the Audit Committee and finalised in 2014–15:

- review of information security
- review of Executive quarterly monitoring report
- risk management plan.

The following internal audits were commenced in 2014–15:

- Protective Security Policy Framework review
- PGPA Act compliance review.

Judicial decisions and administrative review

There were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner that have had or may have a significant impact on the Commission's operations during 2014–15.

Corporate reporting

In 2014–15, the Commission undertook corporate reporting through:

- the prescribed annual report and State of the Service reporting requirements
- other external reports such as the Portfolio Budget Statements and central agency surveys
- responses to parliamentary questions.

See Appendix H for corrections to the *Fair Work Commission Annual Report 2013–14*.

Website

The Commission's website is the primary source of publications and reports regarding its activities. During the year the Commission reviewed its website structure, presentation and content to identify opportunities to enhance the accessibility of information on it.

Risk management and fraud control

During the reporting period the Commission updated its Risk Management Policy and framework to align with the Commonwealth Risk Management Policy released in July 2014. This policy requires Commonwealth agencies to establish an appropriate system of risk oversight and management. The Commonwealth Risk Management Policy supports the PGPA Act.

The Commission's Executive and Senior Management Group assessed and developed the risk policy, workshoped the risk profile, and is putting in place steps to embed a risk-based culture within the organisation.

In addition, the Commission has a fraud risk assessment and fraud control plan and appropriate fraud prevention, detection, investigation reporting and data collection procedures and processes to meet its specific needs and to comply with the Commonwealth Fraud Control Guidelines.

The General Manager's certification in respect of fraud control can be found at Appendix I.

The Commission's workforce

Management of human resources

The Commission directs its staffing resources to where they will deliver the greatest benefit.

2014–15 saw new opportunities for innovative service delivery by Commission staff.

As part of the ongoing *Future Directions* change program administrative staff participated in a pilot program under which they assessed a portion of enterprise agreement applications in a small number of industries to provide assistance to Members regarding whether to approve an agreement.

Following an external review, from 1 July 2015 a greater range of enterprise agreement approval applications will be progressively referred to the pilot.

Similarly, adopting the established model used for unfair dismissal applications, Commission staff participated in a pilot program for conducting preliminary conciliations for general protections applications involving dismissal.

These initiatives were in addition to the new anti-bullying jurisdiction which commenced on 1 January 2014 and which had its first full year of operation in 2014–15.

To create efficiencies, including the greater use of online forms, compliance with superannuation processing changes, enhanced reporting capability and freeing up time for payroll staff to concentrate on more value-added human resources functions, on 30 June 2015 the Commission transitioned its payroll function to an external service provider.

The interim arrangements for recruitment in the APS, introduced in October 2013, continued to impact upon the Commission's ability to engage ongoing staff. The number of non-ongoing staff grew to 68 as at 30 June 2015 (up from 40 as at 30 June 2014). The majority of staff members engaged in 2014–15 had tertiary qualifications in law, helping to build a more agile workforce with skills that were in demand across all four branches.

In the next reporting period the Commission will undertake a systematic review of its structure, roles and responsibilities in line with APS frameworks to ensure a contemporary and agile workforce which is best placed to support the delivery of its functions into the future.

This will be followed in future years by the development and ongoing implementation of a workforce plan with particular emphasis upon development of skills and capabilities through training, learning and development and talent management.

Commission staffing

At 30 June 2015, the Commission employed a total of 328 staff (ongoing and non-ongoing). This is an increase of 22 staff from the total number of ongoing and non-ongoing staff at 30 June 2014, reflecting in part the number of initiatives under which Commission staff undertook work previously performed by Commission Members. Also an increased number of staff, included in the Table 38 totals, were on paid or unpaid long-term leave arrangements.

Table 38: Geographic deployment of staff

Location	30 June 2014	30 June 2015
Victoria	208	226
New South Wales	55	54
Queensland	16	18
Western Australia	11	11
South Australia	8	10
Tasmania	3	3
Australian Capital Territory	3	4
Northern Territory	2	2
Total	306¹	328²

1 Includes the General Manager (a statutory appointee under the Fair Work Act), 14 employees on long-term leave with or without pay and one employee on a temporary movement to another APS agency.

2 Includes the General Manager (a statutory appointee under the Fair Work Act), and at 30 June 2015 22 employees on long-term leave with or without pay.

During 2014–15, 75 new employees (ongoing or non-ongoing) commenced employment and 53 employees (ongoing or non-ongoing) departed the Commission.

Of the new employees, two were ongoing movements from other APS agencies, five were temporary movements of ongoing employees from other APS agencies and 68 were non-ongoing engagements. New employees in 2014–15 were spread across the branches, with the largest number of new staff being recruited by Victorian Registry, the Member Support Team, the Unfair Dismissals Case Management Team and New South Wales Associates Team.

Table 39: Recruitment activity during 2014–15

Type	No.	State	No.
Ongoing (including ongoing movements from other APS agencies)	2	VIC	2
Temporary moves from other APS agencies	5	VIC	2
		NSW	1
		SA	2
Non-ongoing	68	VIC	41
		NSW	15
		QLD	6
		ACT	3
		WA	1
		SA	1
		NT	1
Total	75		

Separations

During 2014–15, a total of 53 employees left the Commission – 15 ongoing employees and 38 non-ongoing employees. The reasons for separation are indicated in Table 40.

Table 40: Staff reason for separation

Reason for separation	Ongoing	Non-ongoing	Total	%
Resignation	12	15	27	50.9
Retirement on the grounds of ill-health	1	–	1	1.9
Return to other APS agency after completion of a temporary move	1	–	1	1.9
Ongoing movement to other APS agency	1	–	1	1.9
Cessation of non-ongoing engagement	n/a	23	23	43.4
Total	15	38	53	

Flexible work

The Commission provides flexible working arrangements to help employees balance work and other responsibilities including:

- Part-time work – at 30 June 2015, 34 ongoing employees and two non-ongoing employees worked part-time. This was an increase of one on the number of part-time employees as at 30 June 2014.
- Home-based work – during 2014–15, six employees had home-based work agreements to combine ongoing work commitments with parental responsibilities and/or personal circumstances. This was the same figure as for the 2013–14 year.

Table 41: Employment status and gender by APS Level

Classification	Salary range (as applicable from FWA Agreement)	Ongoing full-time		Ongoing part-time		Non-ongoing ¹		Total
		Male	Female	Male	Female	Male	Female	
General Manager	Remuneration Tribunal	0	1	0	0	0	0	1
SES Band 1	Individual	2	2	0	0	0	0	4
Executive Level 2	116,094–135,869	17	16	3	6	2	2	46
Executive Level 1	100,688–108,694	2	10	0	3	2	1	18
APS Level 6	79,094–90,983	40	62	1	13	3	0	119
APS Level 5	73,029–77,397	6	14	0	4	8	17	49
APS Level 4	65,508–71,089	20	26	1	3	6	20	76
APS Level 3	58,836–63,446	0	4	0	0	2	5	11
APS Level 2	52,284–57,259	2	2	0	0	0	0	4
Total		89	137	5	29	23	45	328

¹ Two non-ongoing employees work part-time.

Staff demographics

Indigenous employment

The Commission currently has one staff member who identifies as Indigenous. During the reporting period this staff member was on secondment from another agency, however they have since become an ongoing staff member.

Table 42: Senior executive and executive level employees by classification and gender

Classification	Female	Male	Total
Executive Level 1	14	4	18
Executive Level 2	24	22	46
SES Band 1	2	2	4
Total¹	40	28	68

¹ Fair Work Commission has 31 conciliators employed at EL2 and EL1 levels (6 part-time) with specialist skills but the role is not in a management capacity.

Table 43a: Location and gender by classification – female

Female	VIC	NSW	QLD	WA	SA	TAS	ACT	NT	Total
General Manager	1	0	0	0	0	0	0	0	1
SES Band 1	2	0	0	0	0	0	0	0	2
Executive Level 2	14	5	1	1	2	1	0	0	24
Executive Level 1	11	0	2	0	1	0	0	0	14
APS Level 6	50	12	5	4	1	1	1	1	75
APS Level 5	19	9	4	1	2	0	0	0	35
APS Level 4	43	3	0	2	0	1	0	0	49
APS Level 3	0	1	2	2	1	0	2	1	9
APS Level 2	1	1	0	0	0	0	0	0	2
Total	141	31	14	10	7	3	3	2	211

Table 43b: Location and gender by classification – male

Male	VIC	NSW	QLD	WA	SA	TAS	ACT	NT	Total
General Manager	0	0	0	0	0	0	0	0	0
SES Band 1	2	0	0	0	0	0	0	0	2
Executive Level 2	14	5	1	1	1	0	0	0	22
Executive Level 1	2	2	0	0	0	0	0	0	4
APS Level 6	38	5	0	0	1	0	0	0	44
APS Level 5	8	5	1	0	0	0	0	0	14
APS Level 4	19	5	2	0	1	0	0	0	27
APS Level 3	0	1	0	0	0	0	1	0	2
APS Level 2	2	0	0	0	0	0	0	0	2
Total	85	23	4	1	3	0	1	0	117

Employee pay and entitlements

Collective and individual agreements

All non-Senior Executive Service (SES) employees are covered by the FWAEA.

SES employees are covered by an individual *Public Service Act 1999* section 24(1) determination.

Fair Work Australia Enterprise Agreement 2011–14

The FWAEA passed its nominal expiry date as of 30 June 2014. Fifteen bargaining meetings took place in 2014–15 between staff and management bargaining representatives for a new enterprise agreement.

Drawing on the Commission's 'New Approaches' program, staff and management representatives agreed to use an interest-based bargaining approach under which the bargaining group jointly explored underlying interests and issues in detail and attempted to find common solutions. Both staff and management bargaining representatives prepared draft clauses for discussion. After the end of the reporting period, management representatives presented a draft agreement to staff representatives for their consideration.

Senior Executive Service remuneration

The Commission has four SES employees. Conditions related to the employment of SES employees, including remuneration, are contained in individual determinations made under section 24(1) of the *Public Service Act 1999*. These determinations are comprehensive documents covering each employee's terms and conditions.

Non-salary benefits

Non-salary benefits are available to employees through the FWAEA, individual arrangements and other initiatives and include:

- Time off in lieu of overtime.
- Access to annual train, tram, bus and ferry tickets – the Commission pays the up-front cost and the employee then repays the amount fortnightly over a 12-month period.
- Healthy lifestyle initiatives such as subsidised yoga and Pilates classes, flu vaccinations and an Employee Assistance Program.

Performance pay

The Commission does not have a performance bonus scheme.

Service Charter, complaints and code of conduct

The Commission's Service Charter provides information on the nature and level of service that the public can expect from the Commission's administrative staff.

The Commission works to ensure that its service meets the directives of the charter by providing high-quality and seamless services in accordance with the legislative framework within which it operates. Processes are in place to assist to address complaints quickly and informally.

The charter provides information on how to make a complaint or to provide feedback about the Commission's administrative activities. The full Service Charter can be found at Appendix L.

In 2013–14 the Commission updated its complaint and feedback system. In 2014–15, the complaint and feedback system was assessed against five criteria derived from recommendations made in the Commonwealth Ombudsman's *Complaint management by government agencies* investigation report. The assessment showed that the Commission's complaint and feedback system incorporated all five best-practice recommendations.

In 2014–15 the Commission introduced a pathway for small business employers to provide feedback about its services. This can be accessed from the small business information page on its website.

The Commission has a separate process for dealing with complaints about Members in accordance with the provisions outlined in the Fair Work Act. The Fair Work Act provides that the President may determine a Member code of conduct and, as such, this was implemented in March 2013. The Member Code of Conduct sets out the process for making a complaint about a Member of the Commission. This guide is published on the Commission's website at <http://www.fwc.gov.au/documents/resources/MemberCodeConduct.pdf>.

Complaints

During 2014–15 the Commission received 162 written complaints. This is an increase from the previous year, when 104 complaints were received.

The Commission has made a conscious effort to improve access to information on how to make a complaint and this may account for the increase in the number of complaints received. The number of complaints made represent 0.47 per cent of the number of applications made in 2014–15.

The majority of complaints received were in relation to the Commission's processes. A substantial number of these complaints involved complaints about issues that were outside of its jurisdiction, or a fundamental misunderstanding of the process or authority of the Commission.

There was an increase in the number of complaints received in relation to the Commission's administration and a number of these complaints were about the website and electronic lodgment system. The Commission conducted a website usability review in 2014–15 and will also replace its electronic lodgment system in 2015–16.

Written complaints were responded to and finalised in an average of nine working days in the 2014–15 period, with some taking longer to resolve than others depending on the complexity of the complaint. This was within the Commission's service promise to respond to written complaints within 20 working days.

Home > About us > Contact us

COMPLAINTS & FEEDBACK

1. Our commitment
2. Complaints about staff & administrative processes
3. Complaints about Members
4. Vexatious complaints
5. Complaints for other bodies

Our commitment

The Fair Work Commission is committed to providing outstanding service to our clients. Complaints and feedback about administrative matters can help drive service improvement. All complaints are taken seriously.

Complaints about staff & administrative processes

Any Commission staff member can accept your complaint or feedback in person or over the telephone. If you make a complaint which cannot be resolved by the person you first speak to, if it is inappropriate for that person to respond, or if you require a written response to your complaint, you will be asked to make your complaint in writing.

Written complaints and feedback about Commission staff or administrative processes can be sent by:

- fax to 03 9655 0401
- email to complaints@fwc.gov.au
- post to The Director, Client Services, Fair Work Commission, GPO Box 1994, Melbourne, VIC, 3001

Complaints about Commission staff or administrative services are addressed by the Director, Client Services or other staff where appropriate.

How long will it take to resolve a complaint?

If your complaint is made in person or over the telephone we will try to resolve it immediately, but in some cases more time may be needed to respond to a complaint.

If your complaint is made in writing we will respond within 20 working days. If your complaint is complex it may take longer to resolve. We will endeavour to keep you informed of our progress when dealing with your complaint.

The Commission has made a conscious effort to improve access to information on how to make a complaint, for example, through a dedicated information page on its website.

Table 44: Breakdown of complaints

Subject	2013–14	2014–15
Member conduct	8	10
Unfair dismissal conciliation ¹	20	18
Outcome of a matter ²	12	23
Timeliness	2	1
Administration ³	13	26
Pay and entitlements	1	2
Complaint relating to modern award or enterprise agreements ⁴	4	10
Adjournment request refusal	3	3
Process ⁵	24	59
Other ⁶	17	10
Total	104	162

1 Unfair dismissal conciliation includes conciliation processes and conciliator conduct.

2 Complaints relating to the outcome of a matter include decisions of the Commission. These matters generally cannot be dealt with through the complaints process and usually require a formal appeal of the decision to be lodged.

3 Administration includes administration errors, staff conduct, errors with the website and lodgment system.

4 Complaints relating to the content of modern awards or enterprise agreements usually cannot be resolved through the complaints process and usually require a formal application to be lodged to amend or vary these instruments.

5 Process relates to either dissatisfaction with one of the Commission's processes or a fundamental misunderstanding of the process or the authority of the Commission.

6 Other includes complaints about not being able to find decisions on the Commission's website.

Financial management

The Commission is a non-corporate entity under the PGPA Act. The Commission's audited financial statements for 2014–15 are at Appendix J.

The Commission's operating revenue from government for the 2014–15 financial year was \$79.887 million. The Commission's appropriated revenue in the prior year was \$79.996 million. An amount of \$2.613 million from the 2013–14 appropriation was quarantined and as such was unable to be utilised for Commission purposes. Consequently the available revenue from government for the prior year was \$77.383 million.

Operating expenses increased in 2014–15 to \$86.15 million (\$80.88 million in 2013–14). The major expenses in 2013–14 were \$52.192 million in respect of employee expenses, \$27.8 million relating to supplier payments, and \$4.4 million in asset depreciation, amortisation and related expenses. The Commission, in accordance with its internal accounting policies, engaged an independent valuation to ensure carrying amount of assets did not differ materially from the assets' fair values as at the reporting date.

As a result the Commission recognised a \$1.690 million write down of assets. Employee expenses increased in the 2014–15 year largely as a result of redundancy costs of \$1.06 million incurred.

Note 21 of the financial statements compares performance of the Commission during 2014–15 compared to the budget outlined in the Commission's Portfolio Budget Statements, in addition to providing an explanation of major variances.

Under the Australian Government's net cash appropriation arrangement, the Commission is not funded for depreciation or amortisation expenses through appropriation revenue. The operating result, excluding unfunded charges, was an operating surplus of \$764,000.

An agency resource statement table providing information about funding sources drawn upon by the agency is at page 155 of this report.

A summary table of resources for outcome, including total administered expenses, revenue from government (appropriations) for outputs and the total price of outputs can be found at page 156.

Information on advertising and market research can be found at Appendix H. Information on legal services expenditure and information on grant programs can be found at Appendix H.

Assets

The Commission's main asset types are leasehold improvements and computer equipment. Asset management is not considered to be a significant aspect of core business and so an assessment of the effectiveness of asset management is not reported.

Major accommodation projects

The Commission did not undertake any major accommodation projects in 2014–15.

Purchasing

The Commission's purchasing policies are outlined in the Accountable Authority Instructions, resource management policies and procurement policy, which reflect the principles of the Commonwealth Procurement Rules.

The following criteria are applied to all of the Commission's procurement activities:

- value for money
- efficiency and effectiveness
- contestability and competitive neutrality
- accountability and transparent reporting
- ethics.

All open approaches to market are advertised on both the Commission website and the AusTender website (www.tenders.gov.au).

Outcomes of all planned procurements at or above \$80,000 are referred to the Procurement Committee for approval. Details are recorded in the Financial Management Information System and the Contracts Register.

Having identified process errors in 2014–15 under which reporting requirements on AusTender were not met in all instances, the Commission is reviewing its procedures and systems to ensure this issue is rectified in the forward year.

Information about the Procurement Committee can be found on page 132.

Purchaser-provider arrangements

The Commission's procurement policies are consistent with the PGPA Act and the Commonwealth Procurement Rules. To maintain this it applies the following criteria to all procurement activities:

- value for money
- encouraging competition
- efficient, effective and ethical use of resources
- accountability and transparency.

The Commission obtains value for money by accessing existing Australian Government panels or coordinated contract arrangements and, where applicable, it partners with other larger Australian Government departments and agencies when procuring goods and services.

Procurement initiatives to support small business

The Commission supports small business participation in the Australian Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website:

www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

The Commission's procurement practices support SMEs by using:

- A range of a procurement methods including whole-of-government arrangements, panel arrangements, approach to market, multi-use lists and requests for quote. SMEs may be directly approached as part of this process.
- The Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 where the panel arrangement or other method does not specify the documentation to be used in forming the contract.
- Clear, simple language presented in an accessible format to communicate throughout the procurement process in keeping with the Small Business Engagement Principles.
- Australian Industry Participation Plans in whole-of-government procurement where applicable.

Procurement plan

The Commission published an annual procurement plan outlining expected procurement activities during 2014–15. The plan is available on the AusTender website.

Contracts

List of contracts

The Commission's website lists all contracts valued at \$100,000 and over that have not been fully performed or which have been entered into during the previous 12 months. Information on expenditure on contracts and consultancies is also available on the AusTender website.

Significant contracts approved by the Commission's Procurement Committee during 2014–15 included:

- recording and transcription services
- website review
- unified communication system
- Hewlett-Packard support renewal
- professional information management services
- development of cost model.

Consultants

The services of consultants are engaged where the necessary specialised or professional skills are unavailable within the Commission or where there is a need for independent research or assessment.

The Commission's practices on the selection and engagement of consultants are in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules. The methods of selection used for consultancies are open tender, select tender, direct sourcing and panel arrangements (initially selected through either an open tender or select tender process).

During 2014–15, six new consultancy contracts were entered into involving total actual expenditure of \$364,360 (including GST). In addition, two ongoing consultancy contracts were active during the 2014–15 year, involving total actual expenditure of \$94,751 (including GST). One consultancy contract was entered into during 2014–15 but no expenditure was incurred during the financial year.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at www.tenders.gov.au.

Competitive tendering and contracting

At 30 June 2015, there were no active contracts relating to the outsourcing of government activities under the Australian Government's competitive tendering and contracting policy.

Australian National Audit Office clauses

The Commission had no contracts let during the year that did not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

The Commission had no contracts valued in excess of \$10,000 that were exempt from reporting on the AusTender website at www.tenders.gov.au.

Agency resource statement

Table 45 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 45: Fair Work Commission resource statement

	Actual available appropriation for 2014–15 \$'000 (a)	Payments made or repealed 2014–15 \$'000 (b)	Balance remaining 2014–15 ⁴ \$'000 (c)
Ordinary annual services¹			
Departmental appropriation			
Prior year departmental appropriation ²	36,693	36,693	0
Departmental appropriation ³	82,337	42,629	39,708
s.31A relevant agency receipts ⁴	2,559	2,559	0
Total ordinary annual services	121,589	81,881	39,708
Departmental non-operating¹			
Equity injections	–	–	–
Total Departmental non-operating	–	–	–
Total available annual appropriations	121,589	81,881	39,708
Total net resourcing for the Fair Work Commission	121,589	81,881	39,708

1 Appropriation Bill (No. 1) 2014–15. Including the balance of prior year departmental appropriations.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$2.450m for the Departmental Capital Budget. For accounting purposes this amount has been designated 'contributions by owners'.

4 An amount of \$2.613m of Fair Work Commission appropriations receivable was quarantined during the 2013–14 financial year and is not available to the Commission, due to delay in start date of the Anti-bullying Implementation, and targeted savings as a result of Government decisions. The balance was formally repealed in the 2015–16 financial year.

Expenses and resources for outcome

Table 46: Expenses and resources for outcome

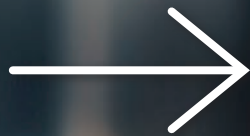
Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.	Budget* 2014–15 \$'000 (a)	Actual expenses 2014–15 \$'000 (b)	Variation 2014–15 \$'000 (c)
Programme 1.1: Dispute resolution, minimum wages, orders and approval of agreements			
Departmental expenses			
Departmental appropriation ¹	81,173	81,685	(512)
Expenses not requiring appropriation in the budget year ²	3,576	4,465	(889)
Total for Programme 1.1	84,749	86,150	(1,401)
Outcome 1 Totals by Appropriation type			
Departmental expenses			
Departmental appropriation ¹	81,173	81,685	(512)
Expenses not requiring appropriation in the budget year ²	3,576	4,465	(889)
Total for Programme and Outcome	84,749	86,150	(1,401)
	2013–14	2014–15	
Average Staffing Level (number)	336	342	(6)

* Full-year budget, including any subsequent adjustment made to the 2014–15 Budget.

1 Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources'.

2 Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

5



Appendices

Appendix A: List of Members

List of Fair Work Commission Members as at 30 June 2015.

President

Justice IJK Ross AO (M)

Vice Presidents

Vice President A Hatcher (S)

Vice President J Catanzariti (S)

Deputy Presidents

Vice President MJ Lawler (S)

Deputy President RS Hamilton (M)

Vice President GR Watson (M)

Deputy President PJ Sams AM (S)

Justice AJ Boulton AO, Senior Deputy President (S)

Deputy President GR Smith AM (M)

Senior Deputy President IR Watson (M)

Deputy President A Booth (S)

Senior Deputy President AM Harrison (S)

Deputy President IC Asbury (B)

Senior Deputy President JM Acton (M)

Deputy President A Gooley (M)

Senior Deputy President LEC Drake (S)

Deputy President JP Lawrence (S)

Senior Deputy President MG O'Callaghan (A)

Deputy President VP Gostencnik (M)

Senior Deputy President JM Hamberger (S)

Deputy President J Kovacic (M)

Senior Deputy President PJ Richards (B)

Commissioners

Commissioner JCW Lewin (M)

Commissioner PJ Hampton (A)

Commissioner WD Blair (M)

Commissioner J Roe (M)

Commissioner AL Cribb (M)

Commissioner MP Bissett (M)

Commissioner HM Cargill (S)

Commissioner CF Simpson (B)

Commissioners

Commissioner PJ Spencer (B)	Commissioner T Lee (M)
Commissioner MG Roberts (S)	Commissioner S Booth (B)
Commissioner BD Williams (P)	Commissioner B Riordan (S)
Commissioner DS McKenna (S)	Commissioner G Bull (S)
Commissioner IW Cambridge (S)	Commissioner D Gregory (M)
Commissioner DJ Cloghan (P)	Commissioner LAT Johns (S)
Commissioner JF Ryan (M)	Commission NP Wilson (M)

Additional Members

Members of state tribunals who also hold an appointment with the Commission and Expert Panel Members

Fair Work Commission title	State title/Expert Panel details
Deputy President PD Hannon (A)	President, SAIRC
Deputy President KM Bartel (A)	Deputy President, SAIRC
Deputy President TJ Abey (H)	President, TIC
Deputy President NM Wells (H)	Deputy President, TIC
Commissioner JD Stanton (N)	Commissioner, IRCNSW
Commissioner P McMahon (A)	Commissioner, SAIRC
Professor S Richardson	Expert Panel Member
Mr A Cole	Expert Panel Member
Mr T Harcourt	Expert Panel Member
Mr A Apted	Expert Panel Member
Mr S Gibbs	Expert Panel Member

Based in: (A) Adelaide, (B) Brisbane, (H) Hobart, (M) Melbourne, (N) Newcastle, (P) Perth, (S) Sydney.

Additional appointments: (IRCNSW) Industrial Relations Commission of New South Wales; (SAIRC) South Australian Industrial Relations Commission; (TIC) Tasmanian Industrial Commission.

Appendix B: Panel assignments

Panel Heads



Justice Ross



Vice President Catanzariti



Vice President Watson



Justice Boulton



Senior Deputy President
Watson



Senior Deputy President
Harrison



Senior Deputy President
Acton



Deputy President Gooley



Commissioner Hampton

Lists of Fair Work Commission Panel Heads and assignments current at 30 June 2015.

President

Justice Ross

The President was responsible for allocating all Panel assignments during the reporting period.

Major Resources/Infrastructure Projects Panel

Justice Boulton

Panel Members	Industries
Watson SDP	This panel works on engagement between the Commission and the industrial parties involved in major projects.
Harrison SDP	
O'Callaghan SDP	
Richards SDP	
Sams DP	
Gooley DP	
Spencer C	
Williams C	
Cloghan C	
Hampton C	
Roe C	
Bissett C	
Simpson C	

Government Services Panel

Vice President Catanzariti	
Panel Members	Industries
Lawler VP	Cemetery operations
Smith DP	Children's services
Kovacic DP ¹	Christmas Island
Williams C ¹	Cocos (Keeling) Islands
McKenna C	Commonwealth employment
Bissett C	Corrections and detentions
Booth C	Educational services
Johns C	Federal police operations
Wilson C	Fire fighting services
	Indigenous organisations and services
	Local government administration
	Northern Territory
	State and Territory government administration
	Water, sewerage and drainage services

¹ Indicates the Member is on more than one industry panel.

Media, Ports, Oil and Gas Panel

Vice President Watson	
Members	Industries
Hamilton DP	Aged care
Booth DP	Airline operations
Cribb C	Airport operations
Cambridge C	Ambulance and patient transport
Cloghan C ¹	Amusement, events and recreation
Hampton C ¹	Broadcasting and recorded entertainment
Simpson C	Coal export terminals
	Diving services
	Dredging
	Grain handling
	Graphic arts
	Health and welfare services
	Journalism
	Live performance
	Mannequins and modelling
	Maritime
	Oil and gas
	Port authorities
	Publishing
	Racing
	Social, community, home care and disability services
	Sporting organisations
	Stevedoring
	Technical services
	Telecommunications services

¹ Indicates the Member is on more than one industry panel.

Manufacturing and Building Panel

Senior Deputy President Watson	
Members	Industries
Drake SDP	Asphalt industry
O'Callaghan SDP	Building, metal and civil construction
Richards SDP	Cement and concrete products
Gooley DP	Clothing
Lawrence DP	Electrical contracting
Gostencnik DP	Food, beverages and tobacco manufacturing
Kovacic DP ¹	Manufacturing and associated industries
Blair C	Pet food manufacturing
Ryan C	Pharmaceutical industry
Riordan C	Plumbing industry
	Poultry processing
	Rubber, plastic and cable making industry
	Scientific services
	Seafood processing
	Textile industry
	Timber and paper products industry
	Vehicle industry

¹ Indicates the Member is on more than one industry panel.

Mining, Agriculture and Electric Power Panel

Senior Deputy President Harrison	
Members	Industries
Hamberger SDP	Agricultural
Asbury DP	Aluminium
Bartel DP	Animal care and veterinary services
Lewin C	Aquaculture
Williams C ¹	Coal
	Electrical power
	Meat
	Mining
	Quarrying
	Salt
	Sugar
	Uranium mining (including construction)
	Wine
	Wool storage, sampling and testing

¹ Indicates the Member is on more than one industry panel.

Transport, Logistics and Services Panel

Senior Deputy President Acton	
Members	Industries
Sams DP	Banking, finance and insurance
Cargill C	Building services
Spencer C	Business equipment
Roberts C	Cleaning services
Williams C ¹	Clerical
Cloghan C ¹	Commercial sales
Hampton C ¹	Contract call centre
Roe C	Dry cleaning and laundry services
Lee C	Fast food
Bull C	Funeral directing
Gregory C	Gardening services
	Hair and beauty
	Hospitality
	Licensed and registered clubs
	Marine tourism and charter vessels
	Market and business consultancy services
	Miscellaneous
	Nursery
	Passenger vehicle transport (non rail)
	Pharmacy operations
	Postal services
	Rail industry
	Real estate
	Restaurants
	Retail
	Road transport
	Security services

Senior Deputy President Acton

Members	Industries
	Storage services
	Tasmania
	Tourism
	Waste management

¹ Indicates the Member is on more than one industry panel.

Note: Stanton C is available to all panels to deal with matters in the Newcastle/Hunter region.

Termination of Employment Panel

Deputy President Gooley

Most Members of the Commission deal with termination of employment applications under arrangements administered by the head of the Termination of Employment Panel, Deputy President Gooley. Deputy President Gooley is supported by a panel deputy, Commissioner Wilson.

Anti-bullying Panel

Commissioner Hampton

This panel has responsibility for anti-bullying matters, which are dealt with by Members of the Commission under arrangements administered by the Anti-bullying Panel Head. The Panel Head is Commissioner Hampton.

Organisations Panel

Vice President Watson

This panel has responsibility for matters relating to registered organisations. The Panel Head is Vice President Watson. The other Members of the panel are:

Panel Members	
Hatcher VP	Richards SDP
Boulton J SDP	Lawrence DP
Hamberger SDP	Gostencnik DP

Expert Panel for Annual Wage Reviews

Justice Ross

The Fair Work Act provides for an annual wage review conducted by an Expert Panel for annual wage reviews. The panel head is Justice Ross. The other panel Members are:

Panel Members	
Watson SDP	Mr Cole
Harrison SDP	Professor Richardson
Hampton C	Mr Gibbs

Expert Panel for Assessing Default Superannuation Funds

The Fair Work Act provides for an Expert Panel for assessing default superannuation funds

Panel Members	
Acton SDP	Johns C
Drake SDP	Mr Apted
Bull C	Mr Harcourt

The above panel was the last valid panel appointed as at 17 April 2014. Any changes to the panel after this date were declared invalid due to a Federal Court decision.

Appendix C: Member activities

External appointments

Justice Ross is an Adjunct Professor, Discipline of Work and Organisational Studies, at the University of Sydney Business School.

Vice President Catanzariti is the Chair of the College of Law, was a member of the Law Admissions Consultative Committee until June 2015, a general editor of *Workplace Law—Fair Work* and a member of the Editorial Board, LexisNexis, *Employment Law Bulletin*. Vice President Catanzariti is an Adjunct Associate Professor of Work and Organisational studies in the Business School of the University of Sydney and also a Visiting Professorial Fellow of the School of Law and Faculty of Law at the University of New South Wales.

Vice President Watson is a consultant to Thomson Reuters regarding the publication of the *Industrial Reports*, which contain Commission decisions.

Justice Boulton is a member of the Advisory Board of the Centre for Employment and Labour Relations Law at the University of Melbourne. Justice Boulton is a Senior Fellow of the Faculty of Law at Monash University and has been teaching a course on International Labour Law.

Senior Deputy President Watson was the chair of the Pharmaceutical Benefits Remuneration Tribunal until April 2015.

Senior Deputy President Harrison is the President of the Defence Force Remuneration Tribunal.

Senior Deputy President Acton is President of the Road Safety Remuneration Tribunal, a member of the Advisory Board to the Centre for Employment and Labour Relations Law at the University of Melbourne and a member of the editorial committee of the *Australian Journal of Labour Law*.

Senior Deputy President Drake is the Chairperson of the Conduct and Judiciary Panels of the South Sydney Junior Rugby League Club, the Grievance Officer for the New South Wales Surf Lifesaving Association and a member of the Road Safety Remuneration Tribunal.

Senior Deputy President Hamberger is the Chair of the Pharmaceutical Benefits Remuneration Tribunal and a member of the Committee of the Industrial Relations Society of New South Wales.

Deputy President Hamilton is a member of the CCH Australia Honorary Editorial Board for Industrial Relations.

Deputy President Booth is the Chair of the Advisory Board for the Work and Organisational Studies Discipline within the Business School at the University of Sydney.

Deputy President Asbury is the Chairperson of the Northern Territory Police Arbitral Tribunal, a member of the Road Safety Remuneration Tribunal and Patron of the Industrial Relations Society of Queensland.

Deputy President Gostencnik is a member of the Board of *The Conversation*, a member of the Advisory Board of the Centre for Employment and Labour Relations at the University of Melbourne and a consultant with LexisNexis.

Commissioner Lewin is the current President of the Remuneration Tribunal of South Australia, and until recently was a Commissioner of the South Australian Industrial Relations Tribunal. Commissioner Lewin is an Adjunct Professor, School of Management and Marketing, Faculty of Business and Law at Deakin University, Chairman of the Deakin University Human Resources Management Advisory Board and Chairman of the Royal Melbourne Institute of Technology (RMIT) University School of Management Advisory Committee. Commissioner Lewin sits on the RMIT Advisory Committee for the RMIT Indigenous Specialisation.

Commissioner Cribb is Chair of the Mediator Standards Board and a Vice President of the Industrial Relations Society of Victoria.

Commissioner Spencer is the Chairperson of the Northern Territory Prison Officers Arbitral Tribunal and Deputy Chairperson of the Northern Territory Police Arbitral Tribunal.

Commissioner Roberts was appointed as a Commissioner of the Tasmanian Industrial Commission (TIC) for a three-year term commencing on 1 June 2015.

Commissioner Hampton is a committee member of the Australian Labour and Employment Relations Association Inc and the Industrial Relations Society of South Australia Inc. Commissioner Hampton is also a member of the Australian Labour Law Association and the Council of Australian Tribunals (SA branch) and an accredited member of LEADR/Australian Institute of Arbitrators and Mediators. He is also a member of the Road Safety Remuneration Tribunal.

Commissioner Lee continued to be a member of the TIC.

Commissioner Johns is the Chairman of the Australian Ballet School and member of the Deakin University School of Law Academic Advisory Board.

Commissioner Wilson was appointed as a Commissioner of the TIC for a three-year term commencing on 1 June 2015.

Domestic presentations, speeches and events

Justice Ross gave a talk at the Small Business Ministerial Advisory Council on 20 November 2014. Justice Ross also gave a speech at the NSW Law Society Employment Law Committee Dinner on 27 November 2014 and addressed the Tasmanian Small Business Council on 15 December 2014.

On 17 March 2015, Justice Ross gave a presentation to the Victorian Civil and Administrative Tribunal leadership group. Justice Ross also delivered a speech at the Ai Group National PIR Group Conference on 4 May 2015.

Senior Deputy President Acton participated in facilitating an accreditation program for assessing candidates as specialists in workplace relations for the Law Institute of Victoria on 28 July 2014.



A delegation led by HE Ith Sam Heng, Minister of Labour and Vocational Training, Cambodia, meets with Justice Ross and former Commissioner Mr Michael Gay as part of a visit to Australia in November 2014.

Senior Deputy President Drake participated in Akolade Employment Seminars by providing an update on new jurisdictions, important decisions and *Future Directions* on 25 March 2015.

Deputy President Sams gave a presentation at the Clubs Australia Industrial Conference on the anti-bullying jurisdiction on 4 August 2014 and was the Chairperson at a Legalwise Seminar for Procedural Skills for Industrial Courts and Commissions on 2 September 2014. The Deputy President also presented an 'Update from the Fair Work Commission' at the Konnect Legal Employment Law Fundamentals Seminar on 9 September 2014 and at the National Electrical Contractors' Association New South Wales Business Forum on 14 October 2014.

On 19 November 2014, Deputy President Sams gave a speech at an Australian Industry Group Employment Conference and on 4 December 2014 presented on the anti-bullying jurisdiction at a HRX Director's HR Conference. Deputy President Sams also participated in an investigations panel at a Fair Work Commission anti-bullying forum on 12 March 2015 and made opening remarks at a University of New South Wales Faculty of Law CLE Seminar for an employment law update.

Deputy President Booth gave a presentation at Employment Law 2015 on 2 March 2015 and presented to the Victorian Industrial Relations Society on 20 March 2015. Deputy President Booth also presented at Industrial Relations Society of NSW workshops which were co-presented by the Commission on 24 March and 14 April 2015. On 7 May 2015, Deputy President Booth gave an Occasional Address to a University of Sydney Graduation ceremony.

Deputy President Asbury presented at the Australian Meat Industry Council Conference 2015 and at the Queensland Hotels Association Employment Relations Conference 2015. Deputy President Asbury also gave a presentation at the Industrial Relations Society of Queensland and Fair Work Commission Practitioner Workshop and at the National Networking of Working Women's Centres Professional Development Seminar. Deputy President Asbury also presented at the Workplace Law Conference 2015 and met with students from the Australian Catholic University and Legal Aid Queensland.

Deputy President Gostencnik provided briefings on agreement making, dispute resolution and unfair dismissal for the Australian Public Service Commission on 24 October 2014.

Deputy President Kovacic gave a presentation at the ASU's National Conference on award modernisation, the Commission's role and future, and processes in dealing with industrial disputes on 18 November 2014.

Commissioner Cribb presented at the National Mediation Conference in Melbourne on mediation and the new anti-bullying laws on 9 September 2014 and presented at the 'Future of Industrial Relations Reform' in Sydney about the anti-bullying jurisdiction on 9 October 2014. Commissioner Cribb also chaired a session at the Anti-Bullying Jurisdiction User Forum in Melbourne on 10 March 2015 and conducted a training session on interest-based bargaining for the bargaining team at Colorpak in Melbourne on 21 April 2015. On 29 June 2015 Commissioner Cribb was also the keynote speaker at the No.2 Bullying Conference on the Gold Coast about the anti-bullying jurisdiction 18 months on.

Commissioner Spencer made a number of speeches and presentations including to the Queensland Hotels Association Employment Relations Conference and at the Queensland Law Society Employment Masterclass. Commissioner Spencer also attended the Australian Labour and Employment Relations Association (ALERA) National Conference in August 2014.

Commissioner Williams presented on anti-bullying applications – observations of the Fair Work Commission, at a Western Australian local government HR seminar on 8 August 2014 and gave an update on new jurisdictions, including anti-bullying and consent arbitration, at the Employment Law Conference in Perth on 5 March 2015.

Commissioner Hampton gave a speech on the anti-bullying jurisdiction at the Australian Labour and Employment Relations Association National Conference at the Gold Coast on 28 August 2014 and at the Australian Institute of Professional Investigators Conference in Adelaide on 17 September 2014. Commissioner Hampton also gave a presentation about the anti-bullying jurisdiction at the Australian Council of Trade Unions Occupational Health and Safety Conference 2014 on 14 October 2014 and presented on the approval of enterprise agreement process at the Industrial Relations Society of South Australia Conference on 17 October 2014.

On 27 October 2014, Commissioner Hampton was part of a question and answer panel on workplace safety at the SafeWork SA SafeWork Week launch and on 1 and 2 November 2015 the Commissioner presided over various mock hearings during the Advocacy course run by the SA IR Society. Commissioner Hampton also gave a number of other presentations, including a speech on the anti-bullying jurisdiction for the Self-Insurers of SA monthly conference in Adelaide on 5 December 2014 and presented an outline of the anti-bullying jurisdiction to members and staff of the Chamber of Commerce and Industry Queensland during a webinar presentation on 10 December 2014.

Commissioner Hampton spoke about the anti-bullying jurisdiction as the after dinner speaker at the Brisbane Club on 10 December 2014 and provided an overview of the first 12 months for anti-bullying jurisdiction user forums in Melbourne and Sydney on 10 and 12 March 2015.

On 27 March 2015, Commissioner Hampton presided over various mock hearings for the ACTU Industrial Officer training in Adelaide and on 12 May 2015 gave a speech to ACTU South Australian organisers on the anti-bullying jurisdiction. Commissioner Hampton also gave a speech on the anti-bullying jurisdiction during a Special Speakers Series for Australia Business Lawyers and Advisors in Sydney on 24 June 2015.

Commissioner Roe presented to the conference of managers and unions delegates of Orora Limited as part of the Fair Work Commission's New Approaches seminars.

In the week of 22 June 2015, Commissioner Bissett allowed a group of students from the Leo Cussen Centre for Law, and a high school student, to observe a number of hearings. Following each of the hearings she responded to questions and explained the legislation and the Commission's role.

Commissioner Lee briefed community workers from the Footscray Community Legal Centre on the role and work of the Fair Work Commission on 30 March 2015 as part of the Community Legal Centre's Employment Law Project 'train the trainer' program. Commissioner Lee also gave a guest lecture for a law course at the University of Melbourne.

Commissioner Booth participated in the Akolade Employment Seminars by providing updates on new jurisdictions, important decisions and *Future Directions* on 26 March 2015. Commissioner Booth also presented at the Workplace Law Masterclass for the National Retailers Association on 7 and 9 April 2015.

Commissioner Bull gave a presentation to the Club Managers Association of Australia on bullying and general protections legislation in Bankstown, New South Wales on 17 February 2015.

Attendance and participation in international events and programs

In June 2015, Justice Ross signed a Memorandum of Understanding with the Ministry of Labour and Vocational Training of Cambodia and the Cambodian Arbitration Council. He also delivered the keynote address at the 6th National Industrial Relations Conference. His Honour also delivered a presentation to law students and faculty of the Royal University of Phnom Penh, Cambodia.

Justice Ross also signed a Letter of Understanding with the Ministry of Manpower in Singapore.

During the reporting period Justice Boulton participated in an International Labour Organization-sponsored conference in Myanmar and Commissioner Roe provided training and technical assistance to the Employment Tribunal in the Maldives.

In October 2014 Vice President Catanzariti and General Manager Bernadette O'Neill attended a meeting of international dispute resolution agencies in Auckland, New Zealand.

Appendix D: Documents relating to the work of the Commission

Major documents contributing to an understanding of the work of the Commission include:

- *Australian Public Service Commissioner's Directions 2013*
- Citizen Co-Design with Small Business Owners report
- Employment Portfolio Budget Statements 2014–15
- Enterprise Agreements Triage – A review of the pilot
- *Fair Work Act 2009*
- *Fair Work Amendment Act 2012*
- *Fair Work Amendment Act 2013*
- *Fair Work Amendment (Transfer of Business) Act 2012*
- Fair Work Commission Corporate Plan 2015–16
- Fair Work Commission fact sheets and guides
- *Fair Work Commission Rules 2013*
- Fair Work Commission service charter
- *Fair Work (Registered Organisations) Act 2009*
- *Fair Work (Registered Organisations) Amendment Act 2012*
- *Fair Work (Registered Organisations) Regulations 2009*
- *Fair Work Regulations 2009*
- *Fair Work (State Declarations—employers not to be national system employers) Endorsement 2009*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2010 (No. 1)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2010 (No. 2)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2011 (No. 1)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2012 (No. 1)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2012 (No. 2)*

- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2012 (No. 3)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2013 (No. 1)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2013 (No. 2)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2013 (No. 3)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2014 (No. 1)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2014 (No. 2)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2014 (No. 3)*
- *Fair Work (State Declarations—employer not to be national system employer) Endorsement 2014 (No. 4)*
- *Fair Work (State Referral and Consequential and Other Amendments) Act 2009*
- *Fair Work (State Referral and Consequential and Other Amendments) Regulations 2009*
- *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*
- *Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009*
- Finance Minister's Orders
- *Financial Management and Accountability Act 1997*
- *Financial Management and Accountability Regulations 1997*
- *Freedom of Information Act 1982*
- *Future Directions 2012–13*
- *Future Directions 2014–15*
- *Future Directions 2014–15: Progress report*
- General Protections Conferences: Centralised Case Management and Use of Staff Conciliators – A review of the pilot
- *Independent Contractors Act 2006*
- *Privacy Act 1988*
- *Public Governance, Performance and Accountability Act 2013*
- *Public Service Act 1999*
- *Public Service Amendment Act 2013*

- *Public Service Regulations 1999*
- Report for Fair Work Commission – Review of Unfair Dismissal Pro Bono Pilot
- *Road Safety Remuneration Act 2012*
- *Road Safety Remuneration (Consequential Amendments and Related Provisions) Act 2012*
- *Road Safety Remuneration Regulation 2012*
- *Road Safety Remuneration Tribunal Rules 2013*
- Small Business Fair Dismissal Code
- *Work Health and Safety Act 2011 (Cth)*
- *Workplace Relations Act 1996 (as amended)*
- *Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008*
- *Workplace Relations Regulations 2006 (as amended)*
- *Workplace Relations (Registration and Accountability of Organisations) Amendment Regulations 2009 (No. 1)*

Appendix E: Methodology for Figure 2 – matters dealt with by the Commission and its predecessors 1998–99 to 2014–15

Collective versus individual work of the Commission over time – Figure 2

This note provides a brief summary of the methods used to produce the analysis of the nature of applications to the Commission between 1998–99 and 2014–15 (Figure 2).

The analysis in Figure 2 is based on time series data. Time series data is a collection of observations for the same entity (in this case, the national workplace relations tribunal) for multiple time periods. Time series data can provide information on historical trends and be used to predict future values of variables.

The main data source used for this preliminary analysis is data from the Commission's annual reports. From 1998–99 to 2010–11 the annual reports summarised the work of the Commission in a table entitled 'Historical table of caseload categories'. A similar table was produced for the *2011–12 Annual Report* entitled 'Fair Work Australia cases'. The most comparable data in the *2012–13 Annual Report* is provided at Table H3, entitled 'Cases by Matter Type', Table K2 for the *2013–14 Annual Report* and at Table G3 for the *2014–15 Annual Report*.

Problems can arise in time series analysis when it is difficult to achieve time series consistency. One situation where this may occur is when there is a change in data availability or gaps in data. This is an important consideration in the analysis of matters before the Commission. The annual reports contain different classifications of matter types and different levels of aggregation due to:

- changes in the reporting practices and format of the Commission's annual reports
- changes to the national workplace relations legislation, which result in new case categories.

For this reason, the analysis undertaken is with the intention of showing general trends over time only. Caution should be exercised in relying on the estimates provided of 'individual' and 'collective' matters due to the stated matters above concerning the differences in underlying data captured from the Commission's annual reports over time.

It is important to recognise that the individual/collective classification is not based on categories defined in the Fair Work Act or the Workplace Relations Act. The classification of particular types of matters as 'collective' or 'individual' is based on an objective assessment by Commission staff. The analysis is based on available data and does not capture the full workload of the Commission. Matters were included in the analysis based on whether a clear link could be established between a particular matter type and the exercise of collective (or association) rights or the exercise of individual (employee) rights.

Details of any changes in methodology for Figure 2 in previous annual reports are detailed in Appendix D of the *2013–14 Annual Report*.

Table E1 below provides an overview of the case load categories included in the analysis of the Commission’s work between 2007–08 and 2014–15.

Table E1: Matters included in the total case load categories

Individual matters		Collective matters	
Matter type	Section of the Fair Work Act (or other legislation)	Matter type	Section of the Fair Work Act (or other legislation)
Unfair dismissal appeals	FW Act, s.604	Full Bench matters and appeals ¹	FW Act, s.604 and WR Act, s.120
Applications to terminate individual transitional employment agreement (ITEA)	Transitional Act, Sched 3 Item 17, Sched 3 Item 18, and Sched 3 Item 19	Notification under dispute settling procedure of pre-reform certified agreement	WR Act s.170LW
Other contraventions applications to deal with dispute	FW Act, s.372	Applications to deal with a dispute ²	FW Act, s.240, s.505 and s.739(6)
Termination of employment	FW Act, s.394 and s.643	Award variation	FW Act, s.157, s.158 and s.160
Referral of AWAs to Commission	WR Act, s.170VPF	Agreements ³	FW Act, s.185, s.210, ss.217–217A and ss.222–225
General protections disputes notification	FW Act, s.365 and s.773	Suspension or termination of industrial action	FW Act, Div 6
		Protected action ballot order	FW Act, s.437 applications, s.447 applications to vary, and s.448 to revoke
		Orders relating to industrial action ⁴	WR Act, s.496
		Good faith bargaining order	FW Act, s.229

Note: 1 Excludes (excl) unfair dismissal or termination of employment. 2 From 2009–10, excl s.372 general protections notifications. 3 From 2009–10, excl applications to terminate ITEAs. 4 Only under Workplace Relations Act.

Source: 2014–15 data taken from *Fair Work Commission Annual Report 2014–15*, Table G3 and Table G4. For unfair dismissal appeals, see Table 19, p. 79. 2013–14 data taken from *Fair Work Commission Annual Report 2013–14*, Table K3 and Table K4. For unfair dismissal appeals, see Table 17, p. 43. 2012–13 data taken from *Fair Work Commission Annual Report 2012–13*, Table H3 and Table H4. For unfair dismissal appeals, see Table 22, p. 43. 2011–12 data taken from *Fair Work Australia Annual Report 2011–12*, Table 3, p.10 and Table H4, pp. 86–89. For unfair dismissal appeals, see Table 22, p. 29. 2010–11 data taken from *Fair Work Australia Annual Report 2010–11*, Table 2, p. 10 and Table G5, pp. 80–83. For unfair dismissal appeals, see Table 8, p. 14.

2009–10 data taken from *Fair Work Australia Annual Report 2009–10*, Table 2, p. 10, and Table H5, pp. 73–77. For unfair dismissal appeals, see Table 9, p. 15. 2008–09 data taken from *AIRC Annual Report 2008–09*, Table 1, p. 7. For unfair dismissal appeals, see Table 6, p. 12. *2007–08 data taken from *AIRC Annual Report 2008–09*, Table 1, p. 7. This is due to amended Full Bench caseload analysis. For unfair dismissal appeals, see Table 1, p. 7.

Technical points to note in relation to Table E1 are:

- the case load category 'appeals' (or, Full Bench matters including appeals) is divided into unfair dismissal appeals (individual) and other appeals (collective)
- the case load category 'dispute notifications' is divided into general protections notifications under the Fair Work Act s.365 and s.773 (individual) and other dispute notifications (collective)
- the case load category 'agreements' is divided into applications to terminate ITEAs (individual) and other agreement matters (collective)
- a number of matter types have not been included in the analysis, including matters pursuant to the *Fair Work (Registered Organisations) Act 2009* (Cth)
- the majority of matters in the analysis are based on lodgment data with the exception of unfair dismissal appeals (which are derived from settlement data).

Understanding these underlying assumptions, and how they relate to the estimates of 'collective' and 'individual' matters, should be part of assessing the dynamics of workplace relations at the national level.

Appendix F: Methodology for Figure 6 – number of Commission sittings, various

Number of Commission sittings, various

The following summarises the methods used to analyse the sittings of the Commission between 1 July 2009 and 30 June 2015 (Figure 6 – Commission sittings for various types of applications, 2009–10 to 2014–15).

Sittings refer to conferences and hearing room usage for hearings, directions and mentions. The majority of sittings are conducted by Members of the Commission. However, a small number of sittings overseen by conciliators are included in the analysis (these are limited to unfair dismissal dispute resolution proceedings that require the Commission’s videolink facilities). Unfair dismissal conciliations that take place by phone are not included in the count of sittings.

Table F1 provides an overview of the number of hearings, conferences and other sittings required to process the four matter types shown in Figure 6: agreements, legislated reviews, matters related to industrial action, and unfair dismissal matters.²

Table F1: Number of sittings by matter type, 2009–10 to 2014–15

Matter type	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	Total
Agreements	1655	935	966	886	756	639	5837
Legislated reviews	586	19	2691	1962	349	1507	7114
Industrial action	1343	993	988	655	595	475	5049
Unfair dismissal	1668	2288	2391	2432	2779	2817	14,375

Notes: The spike in legislated reviews in the 2011–12 financial year can be attributed to the large number of listings that year for the variation and termination of certain transitional instruments to take account of Part 10A award modernisation process pursuant to Schedule 5, Item 3 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*. In 2012–13, the number of listings under this provision had dropped to zero.

² A quantitative profile of the Commission’s listings requires a calculation of all sitting dates across all locations.

For example, the annual wage review is listed for decision at the Commission’s offices in Melbourne. However, the decision may also be listed for decision via videolink at other locations across Australia. In these circumstances, the number of sitting dates includes a count for both the Melbourne hearing and the hearings at each videolink location.

Source: Fair Work Commission, Case Management System Plus (CMS plus), unpublished data.

Table F2 shows the types of matters that are included under the four case load categories.

Table F2: Types of matters included in each case load category

Matter type	Legislation
Agreements	
Application for approval of a greenfields agreement	s.185 Fair Work Act
Application for approval of a single-enterprise agreement	s.185 Fair Work Act
Application for approval of a variation of an enterprise agreement	s.210 Fair Work Act
Application to vary an agreement to remove an ambiguity or uncertainty	s.217 Fair Work Act
Application to deal with a dispute about variations	s.217A Fair Work Act
Application for approval of a termination of an enterprise agreement	s.222 Fair Work Act
Application for termination of an enterprise agreement after its nominal expiry date	s.225 Fair Work Act
Application by agreement to terminate collective agreement-based transitional instrument	Sched. 3, Item 15 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
Application to terminate collective agreement-based transitional instrument	Sched. 3, Item 16 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
Application by agreement to terminate individual agreement-based transitional instrument	Sched. 3, Item 17 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
Legislated reviews	
Review of modern awards to give effect to s.149A provisions regarding superannuation contributions for defined benefit members (2013 review)	s.149A Fair Work Act
4 yearly review of modern awards	s.156 Fair Work Act
4 yearly review of default fund terms	s.156A Fair Work Act
Annual wage review	s.285 Fair Work Act
Variation and termination of certain transitional instruments etc. to take account of Part10A award modern process	Sched. 5, Item 3 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
Review of all modern awards (other than modern enterprise and State PS awards) after first 2 years (Transitional review)	Sched. 5, Item 6 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
FWC must make or vary state reference public sector modern awards at the end of the application period	Sched. 6A, Item 6 <i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>

Matter type	Legislation
Award modernisation	s.576E Workplace Relations Act
Award modernisation	s.576H Workplace Relations Act
Industrial action	
Application for an order that industrial action by employees or employers stop etc.	s.418 Fair Work Act
Application for an order that industrial action by non-national system employees or employers stop etc	s.419 Fair Work Act
Application to suspend or terminate protected industrial action – significant economic harm etc	s.423 Fair Work Act
Notice of initiation of bargaining period	s.423(3) Fair Work Act
Application to suspend or terminate protected industrial action – endangering life etc.	s.424 Fair Work Act
Application to suspend protected industrial action, cooling off	s.425 Fair Work Act
Application to suspend protected industrial action, significant harm to a third party	s.426 Fair Work Act
Application for a protected action ballot order	s.437 Fair Work Act
Application for variation of protected action ballot order	s.447 Fair Work Act
Application for variation of protected action ballot order	s.448 Fair Work Act
Report about conduct of protected action ballot	s.458 Fair Work Act
Application to extend the 30-day period in which industrial action is authorised by protected action ballot	s.459 Fair Work Act
Application for an order relating to certain partial work bans	s.472 Fair Work Act
Application for an order relating to certain partial work bans	s.496(1) Fair Work Act
Unfair dismissal	
Application for unfair dismissal remedy	s.394 Fair Work Act

Appendix G: Lodgment and case load statistics

Table G1: Applications lodged, hearings and conferences, decisions and orders published

Year	Applications lodged	Hearings and conferences	Decisions and orders published
2011–12	37,442	18,709	13,846
2012–13	36,616	18,991	11,673
2013–14	37,066	19,620	13,302
2014–15	34,152	19,922	12,440

Table G2: Website visits

	Visits	Desktop visits	Mobile visits	Tablet visits
2009–10	2,016,210	2,005,862	9720	
2010–11	3,028,646	2,962,504	66,770	
2011–12	3,688,946	3,438,393	191,246	59,354
2012–13	3,624,414	3,182,782	282,284	159,674
2013–14	3,259,939	2,738,747	328,958	192,234
2014–15	3,766,398	2,995,074	542,734	228,590

Table G3: Cases by matter type

Matter Type	Section of Fair Work Act (or other legislation in brackets)	Cases lodged				Timeliness ¹		
		2011–12	2012–13	2013–14	2014–15	% change	Median days	90th percentile
Agreements	s.185	8565	7087	6754	5922	-12.3	21	56
Orders relating to good faith bargaining	ss.229, 236, 238, 240, 242 and 248	530	406	422	476	12.8	12	34
Dispute resolution	ss.372, 526, and 739 (ss.699, 709 of the <i>Workplace Relations Act 1996</i>)	2627	2901	3295	3054	-7.3	20	48
Orders relating to industrial action	ss.418, 419, 423, 424, 425, 426, 437, 447, 448, 459 and 472	1446	1271	989	955	-3.4	3	7
General protections involving dismissal	s.365	2162	2429	2879	3382	17.5	31	62
Unfair dismissal applications	s.394	14,027	14,818	14,796	14,624	-1.2	28	42
Appeals	s.604 (s.120 of the <i>Workplace Relations Act 1996</i>)	184	143	214	336	57.0	82	160
Applications to terminate individual agreement-based transitional instruments	(Sch. 3, Item 17, Sch 3, Item 18 and Sch 3, Item 19 of the <i>Transitional Provisions Act</i>)	3486	3173	2841	767	-73.0	9	36

Matter		Cases lodged				Timeliness ¹		
Type	Section of Fair Work Act (or other legislation in brackets)	2011–12	2012–13	2013–14	2014–15	% change	Median days	90th percentile
Registered organisations	(various sections of the Registered Organisations Act and the RAO Schedule of the Workplace Relations Act)	1102	1288	1381	1120	-18.9	–	–
Other matters	All other applications that have been lodged with the Commission during this reporting period	3313	3100	3495	3516	0.6	–	–
Total		37,442	36,616	37,066	34,152	-7.9	–	–

¹ Timeliness is measured as lodgment to first hearing for all matters except agreements, appeals and applications to terminate individual agreement-based transitional instruments, which are measured as median days from lodgment to finalisation.

Table G4: Nature of proceedings

Matter	No.
<i>Fair Work Act 2009</i>	32,047
Application for order under an enterprise agreement	1
s.120 – Application to vary redundancy pay for other employment or incapacity to pay	152
s.122 – Transfer of employment situations that affect the obligation to pay redundancy pay	2
s.156 – 4 yearly review of modern awards	116
s.157 – FWC may vary etc. modern awards if necessary to achieve modern awards objective	1
s.158 – Application to vary or revoke a modern award	2
s.160 – Application to vary a modern award to remove ambiguity or uncertainty or correct error	2
s.185 – Application for approval of a greenfields agreement	407

Matter	No.
s.185 – Application for approval of a multi-enterprise agreement	66
s.185 – Application for approval of a single-enterprise agreement	5449
s.210 – Application for approval of a variation of an enterprise agreement	208
s.217 – Application to vary an agreement to remove an ambiguity or uncertainty	38
s.222 – Application for approval of a termination of an enterprise agreement	91
s.225 – Application for termination of an enterprise agreement after its nominal expiry date	161
s.229 – Application for a bargaining order	87
s.236 – Application for a majority support determination	96
s.238 – Application for a scope order	12
s.240 – Application to deal with a bargaining dispute	270
s.248 – Application for a single interest employer authorisation	11
s.252 – Application to extend single interest employer authorisation	3
s.266 – Industrial action related workplace determination	2
s.285 – Annual wage review	1
s.302 – Application for an equal remuneration order	1
s.318 – Application for an order relating to instruments covering new employer and transferring employees	81
s.319 – Application for an order relating to instruments covering new employer and non-transferring employees	51
s.320 – Application to vary a transferable instrument – agreement	1
s.365 – Application to deal with contraventions involving dismissal	3382
s.365 – Application to deal with contraventions involving dismissal (consent arbitration)	16
s.372 – Application to deal with other contravention disputes	879
s.394 – Application for unfair dismissal remedy	14,624
s.401 – Application for costs orders against lawyers and paid agents	2
s.402 – Application for costs under s.611	2
s.418 – Application for an order that industrial action by employees or employers stop etc.	107
s.424 – Application to suspend or terminate protected industrial action – endangering life etc.	16
s.426 – Application to suspend protected industrial action – significant harm to a third party	1
s.437 – Application for a protected action ballot order	641
s.447 – Application for variation of protected action ballot order	6

Matter	No.
s.448 – Application for revocation of protected action ballot order	44
s.459 – Application to extend the 30-day period in which industrial action is authorised by protected action ballot	133
s.472 – Application for an order relating to certain partial work bans	7
s.483AA – Application for an order to access non-member records	8
s.505 – Application to deal with a right of entry dispute	69
s.507 – Application for action to be taken against permit holder	1
s.508 – Application to restrict rights if organisation or official has misused permit rights	2
s.510 – Upon referral, revoke or suspend an entry permit	12
s.512 – Application for a right of entry permit	1481
s.516 – Application to extend entry permit	3
s.519 – Application for an exemption certificate	1
s.526 – Application to deal with a dispute involving stand down	17
s.533 – Application for an FWC Order	4
s.576(2)(aa) – Promoting cooperative and productive workplace relations and preventing disputes	7
s.576(2)(ca) – Proceeding referred to FWC for mediation	1
s.589 – Application for procedural and interim decision	2
s.590 – Application	1
s.603 – Application to vary or revoke a FWC decision	2
s.604 – Appeal of decisions	336
s.739 – Application to deal with a dispute	2078
s.739 – Application to deal with a dispute in relation to flexible working arrangements	41
s.768BA – Application for an order about coverage for transferring employees under a state instrument	1
s.773 – Application to deal with an unlawful termination dispute	114
s.789FC – Application for an order to stop bullying	694
Fair Work (Registered Organisations) Act 2009	1101
Query – Registered Organisations	9
s.13(1)(b) RO Act – Advice and assistance to organisations	180
s.137A RO Act – Orders about representation rights of organisations of employees	3

Matter	No.
s.144(6)(b) RO Act – Application by General Manager on own motion to revoke postal ballot exemption	2
s.151(1) RO Act – Membership Agreement with State Registered Union	1
s.154C RO Act – Approved training	4
s.158(1) RO Act – Application for alteration of eligibility rules	10
s.159(1) RO Act – Notification of alterations of other rules	85
s.159(1) RO Act – Notification of alterations required under RO Amendment Act	9
s.18(a) RO Act – Application for registration by an association of employers	3
s.18(b) RO Act – Application for registration by an association of employees	2
s.180 RO Act – Conscientious objection to membership of organisations	1
s.186(2)(b) RO Act – Application by General Manager on own motion to revoke exemption to conduct elections	6
s.189(1) RO Act – Notification of elections for office	185
s.189(1) RO Act – Notification of elections for office – casual vacancy or insufficient nominations	53
s.207 RO Act – Election arrangements made under Court Order	1
s.233(1) RO Act – Annual obligation to lodge information	113
s.235(1) RO Act – Authority to access certain records	1
s.237 RO Act – LGD statement	19
s.246(1) RO Act – Application for determination of reporting units	1
s.26(6) RO Act – Application to issue a copy of or certificate replacing the certificate of registration	1
s.268 RO Act – Lodgment of financial report	398
s.30(1)(a) RO Act – Application by organisation for cancellation of registration	6
s.330 RO Act – General Manager makes inquiries	3
s.331 RO Act – General Manager conducts investigation	1
s.336(1A) RO Act – 12 month review	4
<i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>	842
Sch. 3, Item 10 – Application to vary transitional instrument to remove ambiguity – agreement	4
Sch. 3, Item 15 – Application by agreement to terminate collective agreement-based transitional instrument	18
Sch. 3, Item 16 – Application to terminate collective agreement-based transitional instrument	48
Sch. 3, Item 17 – Application by agreement to terminate individual agreement-based transitional instrument	489

Matter	No.
Sch. 3, Item 19 – Declaration for unilateral termination with FWC approval to terminate individual agreement	278
Sch. 5, Item 13B – Orders remedying reductions in take-home pay	1
Sch. 5, Item 9 – Application for an order remedying reduction in take-home pay resulting from a modern award	4
Work Health and Safety Act 2011	44
s.131 WHS Act – Application for a WHS entry permit	44
Workplace Relations Act 1996	70
Coal Mining Industry Long Service Leave	1
s.170LW – Pre-reform Act – application for settlement of dispute (certified agreement)	11
s.233(1) RAO Schedule – Annual obligation to lodge information	11
s.268 RAO Schedule – Lodgment of financial report	8
s.699 – Application to FWC to have a dispute resolution process conducted (Div 3)	2
s.709 – Application to FWC to have a dispute resolution process conducted (Div 5)	37
Administrative	48
Award grievance procedure	1
Request for a Board of Reference	47
Total	34,152

Table G5: Unfair dismissal – finalised after conciliation

Stage of proceeding	No. of matters		
	2012–13	2013–14	2014–15
Matters finalised after conciliation and before formal proceedings before a Commission Member	2093	2475	2654
Matters withdrawn after conference/hearing and before decision/order	49	41	52
Matters finalised by administrative dismissal	N/A	459	288
Matters finalised at jurisdiction	258	374	890
Matters finalised at arbitration	402	367	349
Total matters finalised after conciliation	2802	3716	4233

Table G6: Unfair dismissal – finalisation

Claims settled, withdrawn or determined	No. of matters		
	2012–13	2013–14	2014–15
Prior to conciliation	2300	2273	2156
At conciliation	8843	8659	8788
After conciliation and before a conference/hearing before a Fair Work Commission Member	2093	2475	2654
Withdrawn after conference/hearing and before decision/order	49	41	52
By final decision/order	660	1200	1527
Total	13,945	14,648	15,177

Table G7: Unfair dismissal, conciliation – size of employer

No. of employees	No. of matters			% of conciliations		
	2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
1–14	2131	2006	2059	19.6	18.3	18.5
15–99	3057	3020	3152	28.0	27.5	28.3
>100	4741	5145	5272	43.6	46.9	47.5
Unknown ¹	7	5	4	0.1	0.0	0.0
No. of employees in dispute	950	796	638	8.7	7.3	5.7
Total Australia-wide	10,886	10,972	11,125	100	100	100

¹ Information not collected.

Table G8: Source data for Figure 11 – General protections disputes involving dismissal – lodgments – monthly comparison

General protections disputes													
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2014–15	279	309	290	294	292	338	192	286	307	296	270	229	3382
2013–14	240	238	214	222	254	257	182	218	273	259	242	280	2879
2012–13	194	182	166	175	200	189	210	285	250	156	226	196	2429
2011–12	176	178	173	166	172	187	156	202	204	159	224	167	2164

Table G9: Source data for Figure 12 – Unfair dismissal applications lodged – monthly comparison

Reporting period	Total	Average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014–15	14,624	1219	1291	1162	1220	1197	1131	1284	942	1240	1441	1211	1191	1314
2013–14	14,797	1233	1475	1307	1260	1185	1209	1374	956	1237	1316	1222	1112	1144
2012–13	14,818	1235	1233	1234	1055	1226	1259	1394	879	1258	1369	1346	1375	1190
2011–12	14,027	1169	1129	1173	1150	1065	1143	1297	908	1241	1427	1108	1284	1102
2010–11	12,840	1070	1087	1060	983	926	1022	1224	791	1127	1313	1047	1043	1217
2009–10	11,114	926	602	753	958	927	902	1072	697	1013	1236	956	997	1001

Table G10: Registered organisations – clearance rate of rules and advices

Matter type	2010–11		2011–12		2012–13		2013–14		2014–15	
	Lodged	Closed	Lodged	Closed	Lodged	Closed	Lodged	Closed	Lodged	Closed
s.13(1)(b)	116	117	166	161	188	163	178	168	180	198
s.159	89	83	68	69	70	59	100	91	85	132
RO Amends	0	0	0	0	53	5	88	107	15	58
Total	205	200	234	230	311	227	366	366	280	388
Clearance rate	-5		-4		-84		0		108	

Table G11: Registered organisations – clearance rate of Financial Returns

Matter type	2010–11	2011–12	2012–13	2013–14	2014–15
Lodged	411	416	424	368	403
Closed	431	408	295	572	501
Clearance rate	20	-8	-129	204	98

Table G12: Registered organisations – clearance rate of Annual Returns

	2010–11	2011–12	2012–13	2013–14	2014–15
Lodged	232	226	224	174	124
Closed	232	224	208	261	240
Clearance rate	0	-2	-16	87	116

Appendix H: Information on specific statutory requirements

Information on the specific statutory requirements regarding workplace health and safety can be found on pages 137 and 138.

Information on the specific statutory requirements regarding freedom of information can be found on pages 139 and 140.

Advertising and market research

In accordance with s.311A of the *Commonwealth Electoral Act 1918*, the principal officer of every Commonwealth agency is required to include a statement in their annual report setting out particulars of all amounts paid by, or on behalf of, the agency during the reporting period to:

- advertising agencies
- market research organisations
- direct mail organisations, and
- media advertising agencies.

The Commission did not conduct any advertising campaigns, engage polling organisations or engage in direct mail activities during 2014–15.

As the total amount paid to any organisation was less than \$12,565 (inclusive of GST), details have not been included in this report.

Legal services expenditure

In compliance with the requirements of the Legal Services Directions 2005, the Commission reports that the total legal services expenditure for 2014–15 was \$1,220,977.28 (GST exclusive). The amount relates solely to external legal services. Details are available on the budgets-expenditure page of the Commission's website.

Ecologically sustainable development

Australian Government agencies are required to report on their performance regarding the environment and ecologically sustainable development in line with s.516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

The Commission operates to ensure energy resources are utilised as efficiently as practicable in the context of a working tribunal and that it maintains a healthy working environment for both the staff and the public.

The Commission's procurement decisions have regard to environmental management requirements including purchasing locally-produced recycled paper and energy efficient lighting.

Programs are in place for the recycling of paper, packaging, batteries, equipment, toner and other materials where possible to reduce the carbon footprint generated by the Commission.

The Commission continued its relationship with Close the Loop, an organisation affiliated with Planet Ark, for toner replacement. Close the Loop reuses the plastics from toner cartridges for other purposes, such as manufacturing eWood which can be used in retaining walls and landscaping materials, and creates pens using ink leftover in the discarded cartridges.

Kitchens in a number of offices have separate bins to manage waste including organic, recycling and general waste.

The Melbourne and Sydney offices have sensor lighting installed in hearing, conference, meeting rooms and offices which have a timer mechanism to automatically switch lighting off when the rooms are not occupied. Energy efficient T5 lighting and shower timers in all showers also continue to operate in these offices.

The Commission has continued to reduce its carbon footprint by utilising its new video conferencing system, providing a viable alternative to travel.

The Commission ensures that new leases over a certain size have a green rating. The Commission actively encourages its landlords to increase their NABERS rating, a national rating system that measures the environmental performance of Australian buildings, tenancies and homes.

The Commission participated in and supported Earth Hour 2015, a campaign to create awareness of global warming, encouraging people to adopt better energy conservation habits, by turning off lights, appliances and desktop computers in all offices for Earth Hour on 28 March 2015.

Discretionary grants and grant programs

The Commission did not administer any discretionary or other grant programs during the reporting period, and no discretionary or other grants were made.

No research partnerships were awarded in 2014–15. Information on research partnerships that were awarded in other years is available on the Commission's website www.fwc.gov.au/about-us/reports-publications/general-managers-reports/research.

Corrections to previous annual report

Page 11, Our Structure, Members

This section should have noted that Commissioner McCusker was appointed as a dual appointee to the Commission in August 2013 and then retired in October 2013.

Page 25, Chart 3: Website visits

The figure for desktop visits, 3.25 million, is incorrect and it should instead have read 2.75 million desktop visits.

Page 70, Determining anti-bullying applications, The first six months

In 2013–14 the total number of applications processed was incorrectly stated as 343; this figure should have been 344.

Clarifications to previous annual report

Page 28, Table 3: Hearings and conferences by location, and page 29, Chart 6: Number of sittings for various types of applications, 2009–10 to 2013–14

The data in Table 3 and Chart 6 may have appeared inconsistent. Different counting methodologies were applied to the data which resulted in different figures.

This year the methodologies have been refined to ensure that the data now appears consistent.

Page 28, Table 2: Outcomes of appeals determined from 1 July 2013 to 30 June 2014, and page 43, Table 17: Unfair dismissals—appeals

The data in Table 2 and Table 17 may have appeared inconsistent. Different counting methodologies were applied to the data which resulted in different figures relating to unfair dismissal appeals.

This year the methodologies have been refined to ensure that the data now appears consistent.

Commonwealth Disability Strategy

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2015, and can be found at www.dss.gov.au/nds.

Appendix I: Fraud Control Certificate



5 October 2015

Annual Report 2014–15 Fraud Control Certification

In accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I hereby certify that I am satisfied that the Fair Work Commission has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting mechanisms that meet the specific needs of the Commission, and
- taken all reasonable measures to appropriately deal with fraud relating to the Commission.



Bernadette O'Neill
General Manager

Appendix J: Financial statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment

I have audited the accompanying annual financial statements of the Fair Work Commission for the year ended 30 June 2015, which comprise:

- Statement by the General Manager and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

General Manager's Responsibility for the Financial Statements

The General Manager of the Fair Work Commission is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The General Manager is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the General Manager of the Fair Work Commission, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

In my opinion, the financial statements of the Fair Work Commission:

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

Australian National Audit Office



John Jones
Executive Director

Delegate of the Auditor-General

Canberra
10 September 2015

FAIR WORK COMMISSION

STATEMENT BY THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 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 Commission will be able to pay its debts as and when they fall due.

Signed 

Bernadette O'Neill
General Manager
10 September 2015

Signed 

Jack Lambalk
Chief Financial Officer
10 September 2015

Statement of Comprehensive Income for Fair Work Commission
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	52,192	50,828
Suppliers	4B	27,864	27,372
Depreciation and amortisation	4C	4,404	2,610
Finance costs	4D	-	3
Losses from asset sales	4E	-	75
Write down and impairment of assets	4F	1,690	-
Total expenses		86,150	80,888
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	110	370
Rental income	5B	2,414	596
Other revenue	5C	95	96
Total own-source revenue		2,619	1,062
Gains			
Other gains	5D	4	-
Total gains		4	-
Total own-source income		2,623	1,062
Net cost of services		(83,527)	(79,826)
Revenue from Government	5E	79,887	79,996
Surplus / (deficit) attributable to the Australian Government		(3,640)	170
OTHER COMRPEHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		262	-
Total other comprehensive income/(loss)		262	-
Total comprehensive surplus/(loss) attributable to the Australian Government		(3,378)	170

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

Statement of Financial Position for Fair Work Commission
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	7A	593	433
Trade and other receivables	7B	40,151	37,747
Total financial assets		40,744	38,180
Non-financial assets			
Leasehold improvements	8A,C	18,838	22,309
Property, plant and equipment	8B,C	6,185	7,510
Intangibles	8D,E	1,120	1,077
Other non-financial assets	8F	4,890	4,588
Total non-financial assets		31,033	35,484
Total assets		71,777	73,664
LIABILITIES			
Payables			
Suppliers	9A	1,696	3,867
Other payables	9B	8,355	8,478
Total payables		10,051	12,345
Provisions			
Employee provisions	10A	18,795	17,457
Other provisions	10B	93	96
Total provisions		18,888	17,553
Total liabilities		28,939	29,898
Net assets		42,838	43,766
EQUITY			
Contributed equity		41,174	38,724
Retained surplus		1,402	5,042
Reserves		262	-
Total equity		42,838	43,766

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

**Statement of Changes in Equity for Fair Work Commission
for the period ended 30 June 2015**

	Retained earnings		Asset revaluation surplus		Contributed equity		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance	5,042	4,872	-	-	38,724	47,791	43,766	52,663
Comprehensive income								
Surplus / (deficit) for the period	(3,640)	170	-	-	-	-	(3,640)	170
Other comprehensive income	-	-	262	-	-	-	262	-
Total comprehensive income attributable to Australian Government	(3,640)	170	262	-	-	-	(3,378)	170
Transactions with owners								
Contributions by owners								
Departmental capital budget	-	-	-	-	2,450	349	2,450	349
Repeal of unspent appropriations	-	-	-	-	-	(9,416)	-	(9,416)
Total transactions with owners	-	-	-	-	-	(9,067)	2,450	(9,067)
Closing balance attributable to Australian Government as at 30 June	1,402	5,042	262	-	41,174	38,724	42,838	43,766

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

Cash Flow Statement for Fair Work Commission
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		76,872	93,949
Sale of goods and rendering of services		2,931	1,125
Net GST received		2,880	4,465
Total cash received		82,683	99,539
Cash used			
Employees		(50,623)	(49,293)
Suppliers		(33,272)	(32,483)
Total cash used		(83,895)	(81,776)
Net cash from operating activities	11	(1,212)	17,763
INVESTING ACTIVITIES			
Cash used			
Purchase of leasehold improvements		(38)	(13,912)
Purchase of property, plant and equipment		(700)	(4,648)
Purchase of intangibles		(340)	(328)
Total cash used		(1,078)	(18,888)
Net cash used by investing activities		(1,078)	(18,888)
FINANCING ACTIVITIES			
Cash received			
Departmental capital budget		2,450	349
Equity Injection		-	788
Total cash received		2,450	1,137
Net cash from financing activities		2,450	1,137
Net increase in cash held		160	12
Cash and cash equivalents at the beginning of the reporting period		433	421
Cash and cash equivalents at the end of the reporting period	7A	593	433

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

Schedule of Commitments
as at 30 June 2015

	2015	2014
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Sublease rental income	(15,434)	(10,411)
Net GST recoverable on commitments	(4,859)	(6,580)
Total commitments receivable	(20,293)	(16,991)
Commitments payable		
Operating leases	66,626	72,179
Other	2,243	1,962
Total commitments payable	68,869	74,141
Net commitments by type	48,576	57,150
BY MATURITY		
Commitments receivable		
Operating lease income		
Within 1 year	(2,423)	(1,706)
Between 1 to 5 years	(8,680)	(6,025)
More than 5 years	(4,331)	(2,680)
Total operating lease income	(15,434)	(10,411)
Other commitments receivable		
Within 1 year	(1,340)	(1,478)
Between 1 to 5 years	(2,785)	(3,701)
More than 5 years	(734)	(1,401)
Total other commitments receivable	(4,859)	(6,580)
Total commitments receivable	(20,293)	(16,991)
Commitments payable		
Operating lease commitments		
Within 1 year	15,510	14,945
Between 1 to 5 years	38,714	41,888
More than 5 years	12,402	15,346
Total operating lease commitments	66,626	72,179
Other commitments payable		
Within 1 year	1,662	1,684
Between 1 to 5 years	581	278
Total other commitments payable	2,243	1,962
Total commitments payable	68,669	74,141
Net commitments by maturity	48,576	57,150

Note: Commitments are GST inclusive where relevant.

Schedule of Commitments (continued)*as at 30 June 2015*

Nature of lease	General description of leasing arrangement
Leases for office accommodation	<p>Lease payments are subject to either increase in accordance with fixed amounts in the lease agreement or market rental reviews.</p> <p>Fair Work Commission may exercise option clauses in accordance with the terms of the leases.</p>
Sub-lease of office accommodation	<p>Fair Work Commission has agreed to sub-let part of the Melbourne premises (11 Exhibition Street) to Calliden Group Ltd until the 31st of October 2017.</p> <p>Fair Work Commission has agreed to sub-let part of the Sydney premises (80 William Street) to the Federal Circuit Court for the remainder of the term of the Sydney property's lease arrangement.</p>
Agreements for the provision of motor vehicles to senior executive officers and members of Fair Work Commission	No contingent rentals exist. There are no purchase options available to Fair Work Commission

Administered Schedule of Comprehensive Income for Fair Work Commission
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Income			
Revenue			
Non-taxation revenue			
Termination of employment application fees		1,153	1,078
Less refunds of termination of employment application fees		(500)	(500)
Total non-taxation revenue	16	653	578
Total revenue		653	578
Total income		653	578
Net contribution by services		653	578

Administered Schedule of Assets and Liabilities for Fair Work Commission
as at 30 June 2015

Fair Work Commission had no administered assets and Liabilities as at 30 June 2015 (2014: nil).

Administered Reconciliation Schedule for Fair Work Commission

Opening assets less liabilities as at 1 July		-	(8)
Net contribution by services			
Income		653	578
Transfers (to)/from Australian Government			
Appropriation transfers from Official Public Account			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		500	508
Appropriation transfers to OPA		(1,153)	(1,078)
Closing assets less liabilities as at 30 June		-	-

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

Administered Cash Flow Statement for Fair Work Commission
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Termination of employment application fees		1,153	1,078
Total cash received		1,153	1,078
Cash used			
Refunds to termination of employment application fees		(500)	(508)
Total cash used		(500)	(508)
Net cash flows from operating activities		653	570
Net increase in cash held		653	570
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from Official Public Account			
Special Appropriations		500	508
Total cash from official public account		500	508
Cash to Official Public Account			
Termination of employment application fees		(1,153)	(1,078)
Total cash to official public account		(1,153)	(1,078)
Cash and cash equivalents at the end of the reporting period		-	-

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

The administered activity that the Fair Work Commission performs on behalf of the Australian Government is the collection of fees for termination of employment applications.

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Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Fair Work Commission

The Fair Work Commission (previously Fair Work Australia) was established by the *Fair Work Act 2009* and commenced operations on 1 July 2009. The Fair Work Commission was one of two institutions established to administer the provisions of the *Fair Work Act 2009* and to provide a balanced framework for cooperative and productive workplace relations that promote economic prosperity and social inclusion.

The Fair Work Commission is an Australian Government controlled entity.

The Fair Work Commission is structured to meet the following outcome:

Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.

The continued existence of the Fair Work Commission in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Fair Work Commission's administration and programs.

The Fair Work Commission activities contributing toward the outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Fair Work Commission in its own right. Administered activities involve the management or oversight by the Fair Work Commission, on behalf of the Government, of items controlled or incurred by the Government.

The Fair Work Commission's departmental activities are identified under one program:

- Program 1: Dispute resolution, minimum wages, orders and approval of agreements.

The Fair Work Commission conducts the following administered activities on behalf of the Government:

- the collection of fees for the lodgement of termination of employment applications; and
- direct payment of pensions to beneficiaries of the Judges' Pension Scheme under the *Judges Pension Act 1968* drawn down from the Department of Finance.

The Fair Work Commission also supports the functions of the Road Safety Remuneration Tribunal, and the cost and activities of the Tribunal are represented in the accounts of the Fair Work Commission.

The Fair Work Commission consists of a President, Vice Presidents, Senior Deputy Presidents, Deputy Presidents, Commissioners, Expert Panel members and Road Safety Remuneration Tribunal industry members. The Fair Work Commission also has a General Manager and administrative staff who exercise powers and functions under the *Fair Work Act 2009*.

The Fair Work Commission has the power to vary awards, make minimum wage orders, approve agreements, resolve workplace and other disputes, deal with workplace bullying applications, regulate registered organisations, determine unfair dismissal claims and make orders in relation to such things as good faith bargaining and industrial action. The Road Safety Remuneration Tribunal's functions are to make road safety remuneration orders, provide dispute resolution to the road transport industry, approval of road transport collective agreements and to provide research into pay and conditions that could affect safety in the road transport industry.

1.2 Basis of Preparation of the Financial Statements

The Financial Statements are general purpose financial statements and are required by section 42 of the *Public Governance and Accountability Act 2013*.

The Financial Statements have been prepared in accordance with:

- a) Finance Reporting Rule Orders (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations 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 and liabilities 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 unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Fair Work Commission has made a judgement that has the most significant impact on the amounts recorded in the financial statements: the fair value of leasehold improvements has been taken to be the market value of similar leasehold improvements as determined by an independent valuer.

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

1.4 New Australian Accounting Standards

The following new Standard was issued by the Australian Accounting Standards Board prior to the signing of the statements by the General Manager and Chief Finance Officer and had a material impact on the Fair Work Commission's financial statements:

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions ¹ , and adjustment to financial statements
AASB 1055 <i>Budgetary Reporting</i>	Requires reporting of budgetary information by not-for-profit entities within the General Government Sector (however, comparative information is not required). In particular: - original budget presented to Parliament; - variance of actuals from budget; and - explanations of significant variances.

1. When transitional provisions apply, all changes in accounting policy are made in accordance with their respective transitional provisions.

All other new, revised, or amending Standards 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, and are not expected to have a future material effect, on the Fair Work Commission's financial statements.

Future Australian Accounting Standard Requirements

The following new, revised or amending Standards or Interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the General Manager and Chief Finance Officer, which are expected to have a material impact on the Fair Work Commission's financial statements for future reporting periods:

Standard/ Interpretation	Application date for the Commission ¹	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 15 <i>Revenue from Contracts with Customers</i>	1 July 2017	AASB 15: - establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, with revenue recognised as 'performance obligations' are satisfied; and - will apply to contracts of not-for-profit entities that are exchange transactions. AASB 1004 <i>Contributions</i> will continue to apply to non-exchange transactions. Likely impact: The Fair Work Commission is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Fair Work Commission's preliminary assessment, it is expected to have a significant impact on the timing of the recognition of revenue.
AASB 9 <i>Financial Instruments</i>	1 July 2018	AASB 9 now incorporates: - the classification and measurement requirements for financial assets and for financial liabilities, and the recognition and derecognition requirements for financial instruments; - requirements for impairment of financial assets; and - hedge accounting. Likely impact: The Fair Work Commission is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Fair Work Commission's preliminary assessment, it is expected to have a significant impact on the recognition and measurement of the Fair Work Commission's financial instruments.

1. The Fair Work Commission's expected initial application date is when the accounting standard becomes operative at the beginning of the Fair Work Commission's reporting period.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the Fair Work Commission's financial statements.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- Fair Work Commission retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to Fair Work Commission.

Fair Work Commission received rental income from the sub-leasing of space within the Sydney office and Level 9 Melbourne office during the 2014/15 financial year. Revenue from rendering of services is

recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to Fair Work Commission.

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

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

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

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 Fair Work Commission 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.

1.6 Gains

Resources Received Free of Charge

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

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

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

Sale of Assets

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

1.7 Transactions with the Government as Owner

Equity injections

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

1.8 Employee Benefits

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

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

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 sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of Fair Work Commission is estimated to be less than the annual entitlement for sick leave.

Members of the Fair Work Commission who were Presidential members under the *Workplace Relations Act 1996* and the President of the Fair Work Commission, accrue 6 months long leave after 5 years of service as a presidential member. In recognition of the nature of presidential members' tenure, a provision is accrued from the first year of service.

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 Fair Work Commission'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 liability for long service leave has been determined by use of the Australian Government Actuary's shorthand method using the standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancies

Provision is made for separation and redundancy benefit payments. Fair Work Commission 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 majority of staff and members of Fair Work Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS Accumulation Plan (PSSap).

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. The liability is reported in the Department of Finance's administered schedules and notes.

Fair Work Commission makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. Fair Work Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2015 represents outstanding contributions for the final fortnight of the year.

Judges' Pension

Members of the Fair Work Commission who were Presidential members under the *Workplace Relations Act 1996* and the President of the Fair Work Commission are eligible for pensions under the Judges' Pension Scheme (JPS) pursuant to the *Judges' Pensions Act 1968*. The JPS is an unfunded defined benefit scheme that is governed by the rules set out in the Act.

The Fair Work Commission does not contribute towards the cost of the benefit during such member's term of service. Liability and expenses associated with the JPS are recorded as part of the Department of Finance financial statements. The Department of Finance has given the Fair Work Commission drawing rights for this financial year in relation to the special appropriation made under the *Judges' Pensions Act 1968*. The Fair Work Commission makes pension payments directly to beneficiaries of the scheme (refer to Note 19 Table E).

1.9 Leases

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

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

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

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

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.12 Cash

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

- a) cash on hand;
- 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;

1.13 Financial Assets

Fair Work Commission classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date. Fair Work Commission currently only holds financial assets classified as loans and receivables.

Effective interest method

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

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Loan and receivables

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

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.14 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. Fair Work Commission currently only holds financial assets classified as other financial liabilities in the form of suppliers and other payables.

Other Financial Liabilities

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

1.15 Contingent Liabilities and Contingent Assets

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 settlement is greater than remote.

1.16 Acquisition of Assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of 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.

1.17 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of 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 Fair Work Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of Fair Work Commission's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amount 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 were made on a class basis. Any revaluation increment was 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 or deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

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

The last independent revaluation was undertaken as at 30 June 2015.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life to Fair Work Commission using, in all cases, the straight line method of depreciation.

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 asset are based on the following useful lives:

	2015	2014
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	3 to 10 years	3 to 10 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

1.18 Intangibles

Fair Work Commission's intangibles comprise internally developed and externally purchased computer 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 Fair Work Commission's software are 3 to 10 years (2013-14: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.19 Taxation

Fair Work Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

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

1.20 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 below, 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.

Fair Work Commission has been granted authority and drawing rights by the Department of Finance to make pension payments pursuant to the *Judges' Pensions Act 1968* (refer Note 19 Table E).

Administered Cash Transfers to and from Official Public Account

Revenue collected by Fair Work Commission for use by the Government rather than Fair Work Commission 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 Fair Work Commission on behalf of the Government and reported as such in the Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.

Revenue

All administered revenues are revenues relating to course of ordinary activities performed by Fair Work Commission on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of funds as directed.

Fair Work Commission receives revenue from fees charged for lodgement of unfair dismissals applications. Administered revenue is recognised when the application fee is processed.

Note 2: Events after the Reporting Period**Departmental**

On the 10th of July 2015, in accordance with Section 51 of the *Public Governance, Performance and Accountability Act 2013*, access to \$2,613,000 of the 2013-14 Appropriation previously quarantined was permanently withheld.

There were no other significant events that had the potential to significantly affect the ongoing structure and financial activities of the Fair Work Commission.

Administered

There was no significant event that had the potential to significantly affect the ongoing structure and financial activities of the Fair Work Commission.

Note 3: Net Cash Appropriation Arrangements

	2015	2014
	\$'000	\$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	764	2,780
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(4,404)	(2,610)
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(3,640)	170

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Note 4: Expenses

	2015	2014
	\$'000	\$'000
Note 4A: Employee benefits		
Wages and salaries	39,653	39,977
Superannuation:		
Defined contribution plans	3,815	3,669
Defined benefit plans	2,687	2,548
Leave and other entitlements	4,608	4,226
Separation and redundancies	1,061	-
Other employee expenses	368	408
Total employee benefits	52,192	50,828
Note 4B: Suppliers		
Goods and services supplied or rendered		
Court/member services	4,317	4,188
Information Communications Technology	2,813	2,672
Property expenses	3,105	3,229
Office expense	1,054	1,103
Contractors	4,037	3,695
Other	358	321
Total goods and services supplied or rendered	15,684	15,208
Goods supplied in connection with		
Related parties	6	-
External parties	997	1,026
Total goods supplied	1,003	1,026
Services rendered in connection with		
Related parties	2,663	2,675
External parties	12,018	11,507
Total services rendered	14,681	14,182
Total goods and services supplied or rendered	15,684	15,208
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	11,901	11,892
Workers compensation expenses	279	272
Total other suppliers	12,180	12,164
Total suppliers	27,864	27,372
Note 4C: Depreciation and amortisation		
Depreciation		
Leasehold improvements	1,819	1,151
Property, plant and equipment	2,288	1,161
Total depreciation	4,107	2,312
Amortisation		
Intangibles	297	298
Total amortisation	297	298
Total depreciation and amortisation	4,404	2,610

	2015 \$'000	2014 \$'000
<u>Note 4D: Finance costs</u>		
Unwinding of discount	-	3
Total finance costs	<u>-</u>	<u>3</u>
<u>Note 4E: Losses from asset sales</u>		
Leasehold and improvements		
Carrying value of asset disposed	-	13
Plant and equipment		
Carrying value of asset disposed	-	59
Intangibles		
Carrying value of asset disposed	-	3
Total losses from asset assets	<u>-</u>	<u>75</u>
<u>Note 4F: Write-Down and Impairment of Assets</u>		
Revaluation decrements		
Leasehold improvements	<u>1,690</u>	-
Total write-down and impairment of assets	<u>1,690</u>	-

Note 5: Own-Source Income

	2015	2014
	\$'000	\$'000
Own-Source Revenue		
<u>Note 5A: Sale of goods and rendering of services</u>		
Rendering of services in connection with		
Related entities	83	344
External parties	27	26
Total rendering of services	<u>110</u>	<u>370</u>
Total sale of goods and rendering of services	<u>110</u>	<u>370</u>
<u>Note 5B: Rental income</u>		
Operating lease		
Sub-lease of property	2,414	596
Total rental income	<u>2,414</u>	<u>596</u>
<u>Note 5C: Other revenue</u>		
Resources received free of charge		
Remuneration of auditors	59	58
Other - vehicle contributions	36	38
Total other revenue	<u>95</u>	<u>96</u>
Gains		
<u>Note 5D: Other gains</u>		
Write-back of make-good	4	-
Total other gains	<u>4</u>	<u>-</u>
<u>Note 5E: Revenue from Government</u>		
Appropriations		
Departmental appropriations	79,887	79,996
Total revenue from Government	<u>79,887</u>	<u>79,996</u>

In the 2013-14 year an amount of \$2.613m of Fair Work Commission's direct appropriations was quarantined from the 2013-14 annual appropriation and such was unable to be utilised for Fair Work Commission purposes. The appropriation was formally reduced on 10 July 2015 (see Note 2: Events after the reporting period). As the reduction occurred after the reporting dates, the 2013-14 year departmental appropriation reflects the full amount of available appropriation as revenue from Government.

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 6A: Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period using

For Levels 2 and 3 fair value measurements

	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3) ¹ *	Valuation technique(s) ²	Inputs used	Range (weighted average)	Sensitivity of the fair value measurement to changes in unobservable inputs
Non-financial assets³							
Leasehold Improvements	18,817	20,991	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre)		
Property, plant and equipment	2,976	3,921	Level 2	Market Approach	Consumed economic benefit / Obsolescence of asset	5.0% - 24.5% (6.2%) per annum	A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly lower (higher) fair value measurement
Property, plant and equipment	2,643	1,481	Level 3	Depreciated Replacement Cost (DRC)	Adjusted market transactions Replacement Cost New		
					Consumed economic benefit / Obsolescence of asset	10.0% - 33.3% (19.7%) per annum	A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly lower (higher) fair value measurement
Total non-financial assets	24,436	26,393					

1. The Commission did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.
2. There were no changes in valuation technique from the previous reporting period.

3. Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)

Fair Work Commission's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all NFAs is considered their highest and best use.

4. Recurring and non-recurring Level 3 fair value measurements - valuation processes

FWC tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. FWC engaged Australian Valuation Solutions (AVS) to undertake a full revaluation and confirm that the models developed comply with Australian accounting standards.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

Leasehold Improvements, Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Note 6B: Level 1 and Level 2 transfers for recurring fair value measurements

There have been no transfers of NFAs between level 1 and 2 of the hierarchy during the year.

Note 6C: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-Financial assets					
	Leasehold Improvements		Property, plant and equipment		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
As at 1 July	20,991	9,095	1,481	1,026	22,472	10,121
Total gains/(losses) recognized in other comprehensive income ¹	(2,212)	(1,025)	(489)	(473)	(2,701)	(1,498)
Purchases	38	12,921	1,651	928	1,689	13,849
Disposals	-	-	-	-	-	-
Transfers into or out of Level 3 ²	-	-	-	-	-	-
Total as at 30 June	18,817	20,991	2,643	1,481	21,460	22,472

1. These gains/(losses) are presented in the Statement of Comprehensive Income.

2. There have been no transfers into level 3 during the year.

Note 7: Financial Assets

	2015 \$'000	2014 \$'000
Note 7A: Cash and Cash Equivalents		
Cash on hand or on deposit	593	433
Total cash and cash equivalents	<u>593</u>	<u>433</u>
Note 7B: Trade and Other Receivables		
Goods and services receivables in connection with		
Related parties	180	66
External parties	-	588
Total goods and services receivables	<u>180</u>	<u>654</u>
Appropriations receivables		
Existing outputs	39,708	36,693
Total appropriations receivables	<u>39,708</u>	<u>36,693</u>
Other receivables		
Statutory receivables	263	400
Total other receivables	<u>263</u>	<u>400</u>
Total trade and other receivables (gross)	<u>40,151</u>	<u>37,747</u>
Trade and other receivables (net) expected to be recovered		
No more than 12 months	40,151	37,747
More than 12 months	-	-
Total trade and other receivables (net)	<u>40,151</u>	<u>37,747</u>
Trade and other receivables are aged as follows		
Not overdue	40,151	37,692
Overdue by		
0 to 30 days	-	55
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total trade and other receivables (gross)	<u>40,151</u>	<u>37,747</u>

No indicators of impairment were noted for receivables.

Credit terms for goods and services are usually within 30 days (2014: 30 days).

Note 8: Non-financial Assets

	2015	2014
	\$'000	\$'000
Note 8A: Leasehold improvements		
Leasehold improvements		
Fair value	18,838	26,027
Accumulated depreciation	-	(3,718)
Total leasehold improvements	18,838	22,309

The fair values of leasehold improvements were assessed and the independent valuations were undertaken for leaseholds in Adelaide, Brisbane, Canberra, Darwin, Melbourne, Perth and Sydney on 30 June 2015 by Australian Valuation Solutions. A revaluation decrement of \$1,690,187.36 for leasehold improvements (2014: \$0) was expensed.

No indicators of impairment were found for leasehold improvements.

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

Note 8B: Property, plant and equipment

Property, plant and equipment		
Fair value	6,225	9,437
Accumulated depreciation	(40)	(1,927)
Total property, plant and equipment	6,185	7,510

Plant and equipment was subject to revaluation. A revaluation increment of \$262,505.65 for plant and equipment (2014: \$0) was credited to the asset revaluation surplus. The revaluation was conducted by independent valuer Australian Valuation Solutions on 30 June 2015. All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

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

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

Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment
Reconciliation of the opening and closing balances of property, plant and equipment for 2015

	Leasehold Improvements	Property, Plant and Equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	26,027	9,437	35,464
Accumulated depreciation and impairment	(3,718)	(1,927)	(5,645)
Total as at 1 July 2014	22,309	7,510	29,819
Additions			
Purchase	38	700	738
Revaluations and impairments recognised in other comprehensive income			
Asset cost	-	(3,849)	(3,849)
Accumulated depreciation	-	4,112	4,112
Revaluations recognised in net cost of services			
Asset cost	(7,227)	-	(7,227)
Accumulated depreciation	5,537	-	5,537
Depreciation expense	(1,819)	(2,288)	(4,107)
Disposals			
Asset cost	-	(63)	(63)
Accumulated depreciation	-	63	63
Total as at 30 June 2015	18,838	6,185	25,023
Total as at 30 June 2015 represented by			
Gross book value	18,838	6,225	25,063
Accumulated depreciation and impairment	-	(40)	(40)
Total as at 30 June 2015	18,838	6,185	25,023

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Leasehold Improvements	Property, Plant and Equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2013			
Gross book value	19,919	5,012	24,931
Accumulated depreciation and impairment	(10,365)	(929)	(11,294)
Total as at 1 July 2013	9,554	4,083	13,637
Additions			
Purchase	13,915	4,647	18,562
Depreciation expense	(1,151)	(1,161)	(2,312)
Other movement - makegood	4	-	4
Disposals			
Asset cost	(7,811)	(222)	(8,033)
Accumulated depreciation	7,798	163	7,961
Total as at 30 June 2014	22,309	7,510	29,819
Total as at 30 June 2014 represented by			
Gross book value	26,027	9,437	35,464
Accumulated depreciation and impairment	(3,718)	(1,927)	(5,645)
Total as at 30 June 2014	22,309	7,510	29,819

	2015	2014
	\$'000	\$'000
<u>Note 8D: Intangibles</u>		
Computer software		
Internally developed - in progress	567	308
Internally developed - in use	1,214	1,212
Purchased	1,592	1,513
Accumulated amortisation	<u>(2,253)</u>	<u>(1,956)</u>
Total computer software	<u>1,120</u>	<u>1,077</u>
Total intangibles	<u>1,120</u>	<u>1,077</u>

No indicators of impairments were found for intangible assets.

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

Note 8E: Reconciliation of the Opening and Closing Balances of Intangibles**Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2014			
Gross book value	1,519	1,514	3,033
Accumulated amortisation and impairment	(694)	(1,262)	(1,956)
Total as at 1 July 2014	825	252	1,077
Additions			
Purchase or internally developed	262	78	340
Amortisation	(129)	(168)	(297)
Total as at 30 June 2015	958	162	1,120
Total as at 30 June 2015 represented by			
Gross book value	1,781	1,592	3,373
Accumulated amortisation and impairment	(823)	(1,430)	(2,253)
Total as at 30 June 2015	958	162	1,120

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2013			
Gross book value	1,254	1,500	2,754
Accumulated amortisation and impairment	(580)	(1,124)	(1,704)
Total as at 1 July 2013	674	376	1,050
Additions			
Purchase or internally developed	266	62	328
Amortisation	(115)	(183)	(298)
Disposals			
Asset cost	-	(49)	(49)
Accumulated depreciation	-	46	46
Total as at 30 June 2014	825	252	1,077
Total as at 30 June 2014 represented by			
Gross book value	1,520	1,513	3,033
Accumulated amortisation and impairment	(695)	(1,261)	(1,956)
Total as at 30 June 2014	825	252	1,077

	2015	2014
	\$'000	\$'000
<u>Note 8F: Other Non-Financial Assets</u>		
Prepayments	1,774	1,562
Lease incentive	2,968	2,991
Lease receivables	148	35
Total other non-financial assets	4,890	4,588
Other non-financial assets expected to be recovered		
No more than 12 months	2,203	1,523
More than 12 months	2,687	3,065
Total other non-financial assets	4,890	4,588

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

Note 9: Payables

	2015 \$'000	2014 \$'000
Note 9A: Suppliers		
Trade creditors and accruals	1,696	3,867
Total suppliers	1,696	3,867
Suppliers expected to be settled		
No more than 12 months	1,696	3,867
More than 12 months	-	-
Total suppliers	1,696	3,867
Suppliers in connection with		
Related entities	125	239
External parties	1,571	3,628
Total suppliers	1,696	3,867
Note 9B: Other payables		
Wages and salaries	1,440	1,229
Superannuation	211	178
Lease payable	3,530	3,452
Lease incentives	3,173	3,619
Income earned in advance	1	-
Total other payables	8,355	8,478
Other payables expected to be settled		
No more than 12 months	2,950	2,951
More than 12 months	5,405	5,527
Total other payables	8,355	8,478

Note 10: Provisions

	2015 \$'000	2014 \$'000
Note 10A: Employee Provisions		
Leave	17,734	17,457
Separations and redundancies	<u>1,061</u>	-
Total employee provisions	<u>18,795</u>	<u>17,457</u>
Employee provisions expected to be settled		
No more than 12 months	5,782	4,547
More than 12 months	<u>13,013</u>	<u>12,910</u>
Total employee provisions	<u>18,795</u>	<u>17,457</u>
Note 10B: Other Provisions		
Provision for restoration	<u>93</u>	96
Total other provisions	<u>93</u>	<u>96</u>
Other provisions expected to be settled		
More than 12 months	<u>93</u>	96
Total other provisions	<u>93</u>	<u>96</u>
	Provisions for restoration	Total
	\$'000	\$'000
As at 1 July 2014	<u>96</u>	<u>96</u>
Amount reversed	<u>(3)</u>	<u>(3)</u>
Total as at 30 June 2015	<u>93</u>	<u>93</u>

Fair Work Commission currently has one agreement (2013-14 one agreement) for the leasing of premises requiring the Commission to restore the premises to their original condition at the conclusion of the lease. The Commission has made a provision to reflect present value of this obligation.

Note 11: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	593	433
Statement of financial position	593	433
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net cost of services	(83,527)	(79,826)
Revenue from Government	79,887	79,996
Adjustments for non-cash items		
Depreciation/amortisation	4,404	2,610
Net write-down of non-financial assets	-	(7)
Revaluation decrement	1,690	-
Loss on disposal of assets	-	75
Movements in assets and liabilities		
Assets		
(Increase)/decrease in net receivables	(2,404)	13,429
(Increase)/decrease in other non-financial assets	(90)	472
(Increase)/decrease in prepayments	(213)	(7)
Liabilities		
Increase/(decrease) in employee provisions	1,338	1,333
Increase/(decrease) in suppliers payables	(2,171)	348
Increase/(decrease) in other payables	(123)	(667)
Increase/(decrease) in other provisions	(4)	7
Increase/(decrease) in unearned revenue	1	-
Net cash from/(used by) operating activities	<u>(1,212)</u>	<u>17,763</u>

Note 12: Contingent Assets and Liabilities**Quantifiable Contingencies**

There were no quantifiable contingent liabilities or assets requiring disclosure for the period ended 30 June 2015 (2014: \$0).

Unquantifiable Contingencies

There were no unquantifiable contingent liabilities or assets requiring disclosure for the period ended 30 June 2015 (2014: \$0).

Significant Remote Contingencies

There were no significant remote contingent liabilities or assets requiring disclosure for the period ended 30 June 2015 (2014: \$0).

Note 13: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits		
Salary	1,030,196	952,675
Motor vehicle and other allowances	43,480	34,445
Total short-term employee benefits	<u>1,073,676</u>	<u>987,120</u>
Post-employment benefits		
Superannuation	167,964	165,247
Total post-employment benefits	<u>167,964</u>	<u>165,247</u>
Other long-term employee benefits		
Annual Leave	89,336	60,442
Long-service leave	27,918	25,409
Total other long-term employee benefits	<u>117,254</u>	<u>85,851</u>
Termination Benefits		
Voluntary Redundancy Provision	166,940	-
Total termination benefits	<u>166,940</u>	<u>-</u>
Total senior executive remuneration expenses	<u>1,525,834</u>	<u>1,238,218</u>

The total numbers of senior management personnel that are included in the above table are 6 individuals (2014: 5 individuals).

Note 14: Financial Instruments

	2015 \$'000	2014 \$'000
Note 14A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	593	433
Trade and other receivables	180	654
Total carrying amount of financial assets	773	1,087
Financial Liabilities		
At amortised cost		
Trade creditors and accruals	1,696	3,867
Total carrying amount of financial liabilities	1,696	3,867

Note 14B: Net Gains or Losses on Financial Assets

There is no gain or loss from financial assets – loans and receivables in the period ending 30 June 2015 (2014: \$0).

Note 14C: Net Gains or Losses on Financial Liabilities

There is no gain or loss from financial liabilities – payables in the period ending 30 June 2015 (2014: \$0).

Note 14D: Fair Value of Financial Instruments

There are no financial instruments held at 30 June 2015 and 30 June 2014 where the carrying amount is not a reasonable approximation of fair value.

Note 14E: Credit Risk

Fair Work Commission was exposed to minimal credit risk as loans and receivables were cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. This amount was equal to the total amount of trade receivables (2015: \$179,694.31; 2014: \$653,725.96).

Fair Work Commission's debtors were generally limited to other Commonwealth Government agencies and its employees. In addition, Fair Work Commission had policies and procedures that guided employees on debt recovery techniques that were to be applied.

Fair Work Commission held no collateral to mitigate credit risk.

Note 14F Liquidity Risk

Fair Work Commission's financial liabilities are payables. The exposure to liquidity risk is based on the notion that Fair Work Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding from the Australian Government and Fair Work Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, Fair Work Commission has policies and procedures in place to ensure timely payments were made when due and has no past experience of default.

Fair Work Commission has no derivative financial liabilities in either current or prior year.

Note 14G: Market Risk

Fair Work Commission held basic financial instruments that did not expose Fair Work Commission to certain market risks such as currency risk, other price risk or interest rate risk.

Note 15: Financial Assets Reconciliation

	Notes	2015 \$'000	2014 \$'000
Total financial assets as per statement of financial position		40,744	38,180
Less: Non-financial instrument components			
Appropriations receivables	7B	39,708	36,693
Other receivables	7B	263	400
Total non-financial instrument components		39,971	37,093
Total financial assets as per financial instruments note		773	1,087

Note 16: Administered – Income

	2015	2014
	\$'000	\$'000
Revenue		
Non-Taxation Revenue		
Note 16A: Fees		
Termination of employment application fees	1,153	1,078
Less: Refunds of termination of employment application fees	(500)	(500)
Total fees	<u>653</u>	<u>578</u>

Note 17: Administered – Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement		
Cash and equivalents as per		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities		
Net contribution by services	653	578
Movements in assets and liabilities		
Liabilities		
Increase / (decrease) in other payable	-	(8)
Net cash from operating activities	<u>653</u>	<u>570</u>

Note 18: Administered – Contingent Assets and Liabilities

As at 30 June 2015 there were no contingent assets or liabilities requiring disclosure (2014: \$0).

Note 19: Appropriations

Table 19A: Annual Appropriations ('Recoverable GST exclusive')

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2015 (current years) \$'000	Variance \$'000	Section 51 determinations \$'000
	Annual Appropriation ¹ \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000				
Departmental								
Ordinary annual services	82,337	-	2,559	-	84,896	81,918	2,978	-
Other services	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	82,337	-	2,559	-	84,896	81,918	2,978	-

Notes:

1. During the year \$11,000 from the 2014-15 Appropriation was quarantined and subsequently formally reduced by the end of the reporting period.

Annual Appropriations for 2014

	2014 Appropriations					Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance ³ \$'000
	Appropriations Act		FMA Act					
	Annual Appropriation ⁴ \$'000	Appropriations reduced ¹ \$'000	AFM ² \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL								
Ordinary annual services	80,345	-	-	-	1,004	81,349	94,298	(12,949)
Other Services	-	-	-	-	-	-	788	(788)
Equity	-	-	-	-	-	-	-	-
Total departmental	80,345	-	-	-	1,004	81,349	95,086	(13,737)

1. Appropriations reduced under Appropriation Acts (Nos. 1,3&5): sections 10, 11, and 12 and under Appropriation Acts (Nos. 2,4&6): sections 12,13, and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

2. Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1,3 & 5) : section 13 and Appropriation Acts (Nos. 2,4&6) : section 15.

3. The variance between total annual appropriation available and total appropriation applied in 2013-14 relates to payments funded from unspent prior year appropriation items.

4. An amount of \$2.613m was quarantined during the 2013-14 financial year at balance date no formal reduction complying with the Finance Reporting Rule Orders had been made.

Table 19B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2015 Capital Budget Appropriations			Capital Budgets Appropriations applied in 2015 (current and prior years)			
	<i>Appropriations Act</i>	<i>PGPA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance ⁴ \$'000
	Annual Capital Budget \$'000	Section 75 \$'000					
Departmental Ordinary annual services - Departmental Capital Budget ¹	2,450	-	2,450	1,064	-	1,064	1,386
	2014 Capital Budget Appropriations			Capital Budgets Appropriations applied in 2014			
	<i>Appropriations Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance ⁴ \$'000
	Annual Capital Budget \$'000	Section 32 \$'000					
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	349	-	349	1,160	-	1,160	(811)

Notes:

1. Departmental and Administered 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. For more information on ordinary annual services appropriations, please see Note 19A: Annual Appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5), sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
4. The variance between total annual appropriation available and total appropriation applied in 2013-14 relates to payments funded from unspent prior year appropriation items.

Table 19C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2015 \$'000	2014 \$'000
Departmental		
Appropriation Act (No.1) 2013-14 *	2,613	36,693
Appropriation Act (No.1) 2014-15	37,095	-
Total departmental	39,708	36,693

Notes:

* An amount of \$2.613m was quarantined during the 2013-14 financial year and formally reduced on the 10 July 2015. (Refer Note 2 Subsequent events) Because at balance date no formal reduction complying with the Finance Reporting Rule Orders had been made, the full amount of available appropriation including quarantined balances has been recognised.

Table 19D: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2015 \$'000	2014 \$'000
<i>Public Governance, Performance and Accountability Act 2013 s.77, Administered</i>	Refund	To provide an appropriation for the refund of application fees received by the Commonwealth as per the Fair Work Regulations 2009 and apart from this section there is no specific appropriation for the repayment.	(500)	(508)

Table 19E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

Department of Finance - to make payments to beneficiaries under the Judges Pension Scheme	
2015	\$'000
Total receipts	4,736
Total payments	(4,736)
Department of Finance - to make payments to beneficiaries under the Judges Pension Scheme	
2014	\$'000
Total receipts	4,802
Total payments	(4,802)

Note 20: Reporting of Outcomes

The Fair Work Commission delivers services under one Outcome. The financial information is recorded against this Outcome.

Note 20A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Departmental				
Expenses	(86,150)	(80,888)	(86,150)	(80,888)
Own-source income	2,619	1,062	2,619	1,062
Administered				
Expenses	-	-	-	-
Income	653	578	653	578
Net cost of outcome delivery	(82,878)	(79,248)	(82,878)	(79,248)

Note 21: Budgetary Reports and Explanation of Major Variances

The following tables provide a comparison between the 2014–15 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2014–15 financial statements. The Budget is not audited.

Variances are considered to be ‘major’ based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- The variance between budget and actual is greater than 1% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of an entity.

Note 21A: Departmental Budgetary Reports

Statement of Comprehensive Income for Fair Work Commission
for the period ended 30 June 2015

	Actual 2015 \$'000	Budget estimate	
		Original ¹ 2015 \$'000	Variance ² 2015 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	52,192	55,078	2,886
Suppliers	27,864	26,282	(1,582)
Depreciation and amortisation	4,404	3,400	(1,004)
Write down and impairment of assets	1,690	-	(1,690)
Total expenses	86,150	84,760	(1,390)
Own-Source Income			
Own-source revenue			
Sales of goods and rendering of services	110	-	110
Rental income	2,414	1,286	1,128
Other revenue	95	58	37
Total own-source revenue	2,619	1,344	1,275
Gains			
Other gains	4	118	(114)
Total gains	4	118	(114)
Total own-source income	2,623	1,462	1,161
Net cost of services	(83,527)	(83,298)	(229)
Revenue from Government	79,887	79,898	(11)
Surplus/(Deficit) attributable to the Australian Government	(3,640)	(3,400)	(240)

OTHER COMPREHENSIVE INCOME**Items not subject to subsequent reclassification to net cost of services**

Changes in asset revaluation surplus	262	-	262
Total comprehensive income/(loss)	262	-	262
Total comprehensive income/(loss) attributable to the Australian Government	(3,378)	(3,400)	22

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Statement of Financial Position for Fair Work Commission
as at 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	593	421	172
Trade and other receivables	40,151	54,070	(13,919)
Total financial assets	40,744	54,491	(13,747)
Non-financial assets			
Leasehold improvements	18,838	15,448	3,390
Property, plant and equipment	6,185	4,906	1,279
Intangibles	1,120	1,734	(614)
Other non-financial assets	4,890	1,653	3,237
Total non-financial assets	31,033	23,741	7,292
Total assets	71,777	78,232	(6,455)
LIABILITIES			
Payables			
Suppliers	1,696	2,692	996
Other payables	8,355	8,553	198
Total payables	10,051	11,245	1,194
Provisions			
Employee provisions	18,795	17,448	(1,347)
Other provisions	93	89	(4)
Total provisions	18,888	17,537	(1,351)
Total liabilities	28,939	28,782	(157)
Net assets	43,838	49,450	(6,612)
EQUITY			
Contributed equity	41,174	50,378	(9,204)
Retained surplus	1,402	(928)	2,330
Reserves	262	-	262
Total equity	43,838	49,450	(6,612)

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Statement of Changes in Equity for Fair Work Commission
for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus				Contributed equity/capital		Total equity			
	Budget estimate		Budget estimate		Budget estimate		Budget estimate		Budget estimate			
	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²		
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Opening balance	5,042	2,472	-	2,570	-	-	38,724	47,928	(9,204)	43,766	50,400	(6,634)
Comprehensive income												
Surplus/(Deficit) for the period	(3,640)	(3,400)	(240)							(3,640)	(3,400)	(240)
Other comprehensive income	-	-	262							262	-	262
Total comprehensive income attributable to Australian Government	(3,640)	(3,400)	262	(240)	-	262	-	-	-	(3,378)	(3,400)	22
Transactions with owners												
Contributions by owners	-	-	-	-	-	-	2,450	2,450	-	2,450	2,450	-
Departmental capital budget	-	-	-	-	-	-	2,450	2,450	-	2,450	2,450	-
Total transactions with owners	-	-	-	-	-	-	4,900	4,900	-	4,900	4,900	-
Closing balance attributable to Australian Government as at 30 June	1,402	(928)	262	2,330	-	262	41,174	50,378	(9,204)	42,838	49,450	(6,612)

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Cash Flow Statement for Fair Work Commission
for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	76,872	79,785	(2,913)
Sale of goods and rendering of services (inclusive of GST)	2,931	-	2,931
Net GST received	2,880	1,286	1,594
Total cash received	82,683	81,071	1,612
Cash used			
Employees	(50,623)	(55,078)	4,455
Suppliers (inclusive of GST)	(33,272)	(26,103)	(7,169)
Total cash used	(83,895)	(81,181)	(2,714)
Net cash from/(used by) operating activities	(1,212)	(110)	(1,102)
INVESTING ACTIVITIES			
Cash used			
Purchase of leasehold improvements	(38)	-	(38)
Purchase of property, plant and equipment	(700)	(2,340)	1,640
Purchase of intangibles	(340)	-	(340)
Total cash used	(1,078)	(2,340)	1,262
Net cash from/(used by) investing activities	(1,078)	(2,340)	1,262
FINANCING ACTIVITIES			
Cash received			
Contributed equity	2,450	2,450	-
Total cash received	2,450	2,450	-
Net cash from/(used by) financing activities	2,450	2,450	-
Net increase/(decrease) in cash held	160	-	160
Cash and cash equivalents at the beginning of the reporting period	433	421	12
Cash and cash equivalents at the end of the reporting period	593	421	172

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Note 21B: Departmental Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
<p><u>Rental Income</u> The higher than expected rental income was due to uncertainty at time of budget preparation as to when fit out works would be completed and rental income begin to flow. Ultimately, the Commission was able to recognise a full year of Rental Income.</p>	Rental income – Own-Source Income (Statement of Comprehensive Income), Cash received – Sale of goods and rendering of services (Statement of Cash Flow)
<p><u>Employee Benefits</u> Fair Work Commission had lower than budgeted employee benefits expense due to a number of factors. Retirement of a number of statutory appointees without replacement appointments being made, together with employee remuneration not being increased, resulted in a lower than expected employee benefit expense.</p>	Employee Benefits – Expense (Statement of Comprehensive Income), Cash used – Employees (Statement of Cash Flow)
<p><u>Trade and Other Receivable / Contributed Equity</u> Per the statute of stocktake (Appropriations Bill 2013) old annual appropriations from 1 July 1999 to 30 June 2010 were repealed in the 2013-14 financial year. Consequentially the Commission appropriations receivable balance reduced at the end of the 13-14 financial year which was not reflected at time of budget preparation. This resulted in the trade and other receivable balance being lower than budget.</p>	Trade and other receivables – Financial Assets (Statement of Financial Position), Contributed equity – Equity (Statement of Financial Position)
<p><u>Leasehold improvements, Property, plant and equipment, Intangibles</u> In the 2014-15 financial year the Commission was completing major capital expenditure projects, namely Sydney Refurbishment leasehold improvements and national video conference upgrade. In preparing portfolio budget estimates the timing of completion of project was not certain. The Commission had also budgeted for spending on Case Management System, which was not as high as expected during the year. The Commission engaged an independent valuer to ensure the carrying value of assets did not materially differ from the assets fair value at the reporting date. The assessment for leasehold improvements took into consideration the Commissions forward lease commitments.</p>	Non-Financial Assets (Statement of Financial Position), Depreciation and amortisation, Write down and impairment of assets (Statement of Comprehensive Income)
<p><u>Suppliers</u> Expenditure on Supplier costs was due to above expected legal and contractor expenses. Contractors were used where the Commission did not have the skills and resources available internally.</p>	Suppliers – Expenses (Statement of Comprehensive Income)

Note 21C: Administered Budgetary Reports**Administered Schedule of Comprehensive Income for Fair Work Commission
for the period ended 30 June 2015**

	Actual	Budget estimate	
	2015 \$'000	Original ¹ 2015 \$'000	Variance ² 2015 \$'000
NET COST OF SERVICES			
Income			
Revenue			
Non-taxation revenue			
Other revenue	653	582	71
Total non-taxation revenue	653	582	71
Total revenue	653	582	71
Total income	653	582	71
Net (cost of)/contribution by services	653	582	71
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income/(loss)	653	582	71

There is no Administered Schedule of Assets and Liabilities for not-for-profit Reporting Entities.

Note 21D: Departmental Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
<p>Other revenue Administered revenue was higher than expected due to an increase in the number of applications received for the Anti-bullying and General Protection jurisdictions. The number of applications received is largely outside the Commission's direct control.</p>	Other revenue – Income (Administered Schedule of Comprehensive Income)

Appendix K: Subscription services

The Commission offers a range of free electronic subscriptions to provide the public with updates about major developments at the tribunal, including significant decisions, information about the various awards and general updates through the Commission Bulletin.

Subscribers are notified by emails containing links to downloadable documents accessible through the website.

The subscription services have proven a valuable tool for the Commission to engage with the public and ensure interested parties are provided with accurate information on the areas relevant to them.

There are two types of subscriptions – announcements and awards. The details for each appear below.

Awards services – My awards

My awards – updates: notifies subscribers when an award has been updated, or when a document has been issued about an award that does not vary the award (such as a decision).

My awards – all matters: notifies subscribers when an application to vary a modern award has been lodged or an award is being reviewed, and when any associated material is issued or received. This includes information about proceedings, submissions, hearing details and decisions. This also includes any emails dispatched through the Awards Updates service for the selected awards.

Announcements services – My subscriptions

Announcements: contains administrative and general announcements about changes to the Commission's practices and procedures, changes to forms and information about subscriptions. This is a low volume email service.

Significant decisions: contains details of recently-issued Full Bench decisions and other significant decisions. Each email contains links to the complete decision and the 'Find Commission decisions and orders' web page. It is emailed when decisions are published.

All decisions: contains details of all recently issued Commission decisions with links to the complete decisions. Each email contains links to the complete decisions and the 'Find Commission decisions and orders' web page. It is emailed up to twice daily.

Enterprise agreement decisions: contains details of enterprise agreement approval, termination and variation decisions, with links to the complete decisions. Each email also contains links to the 'Find Commission decisions and orders' web page. It is emailed up to twice daily.

FWC Bulletin: includes decision summaries of selected Commission decisions and information about our services. This service provides links to the latest and past editions of the FWC Bulletin. It is emailed weekly following the Bulletin's posting on the website.

Award modernisation information: contains details of significant updates to the award modernisation section of the Commission's website. This service notifies subscribers via email of significant proceedings, statements or decisions which have general application to modern awards or ongoing award modernisation processes. It is a low volume service emailed as significant updates are posted to the 'Award modernisation' section of the website.

Annual wage review information: contains information about the current review process and how to participate in it. Each email contains links to relevant materials, including the procedure for lodging submissions, statements and decisions, the timetable, research, submissions and any additional material. It is emailed as changes are posted to the 'Annual Wage Review' section of the website.

Equal remuneration case: contains information about the equal remuneration case currently before the Commission. Each email contains links to relevant materials, including submissions, statements and decisions, the timetable, research, correspondence, and any additional material. It is emailed as changes are posted to the 'Equal Remuneration Case' section of the website.

Superannuation information: contains information about the review of superannuation funds in modern awards. Each email contains links to relevant materials, including submissions, statements and decisions, the timetable and any additional relevant material. It is emailed as changes are posted to the 'Superannuation' section of the website.

Pay equity research information: Provides updates about research undertaken by the Pay Equity Unit to assist the Commission and parties with pay equity-related matters. This service provides updates regarding research undertaken by the Pay Equity Unit, including the research priorities of the unit, published research, and other specialist information. Emails are sent when 'Pay Equity Unit' web pages are updated.

Gazette notices – organisations: contains details of applications by registered organisations that are published in the Commonwealth of Australia Gazette. Each email contains the name of the organisation or association lodging the application, the type of application lodged, and a link to the Gazette notices page. It is emailed when the notice and the application have been posted to the website.

Registered organisations information: provides information about registered organisations and the Regulatory Compliance Branch of the Commission. Emails contain information regarding obligations of registered organisations under the relevant legislation. Emails are sent to notify subscribers when 'Registered Organisations' web pages are updated.

Australian Workplace Relations Study: provides updates on the Commission's AWRS. This service notifies subscribers by email about updates regarding the AWRS, including consultation activities, the research design, data collection instruments and the study timetable. Emails are sent as relevant web pages are updated.

Termination of instruments: contains information about the process being undertaken pursuant to item 3 of Schedule 5 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*. Emails contain links to information about proceedings, including to submissions, statements and decisions, and any additional material, and are sent as changes are published to the website.

Events and engagement: provides information about upcoming events, activities and opportunities to engage with the Commission, as well as links to further relevant material. Subscribers can elect to receive updates about events in all locations or about events in a particular state or territory. Emails are sent when relevant events or activities are launched, and as additional information becomes available.

Quarterly practitioner update: Provides quarterly updates for practitioners, including information about significant Commission decisions, resources and initiatives, upcoming events and other general information. The updates are aimed at providing an overview of information relevant to workplace relations practitioners.

SCAN FOR VIDEO



Subscribing

To subscribe to any of the services, members of the public may sign up on the 'Subscribe to Updates' page on the Commission's website, then log in and select any services required. There is no cost and publications and services can be added or removed at any time.

Appendix L: Fair Work Commission Service Charter

[Extracted from the Fair Work Commission website: www.fwc.gov.au]

Introduction

This charter tells you the nature and level of the services you can expect from staff of the Fair Work Commission, and what to do if you are unhappy with the service you receive.

Who we are

The Commission is Australia's independent, national workplace relations tribunal, which was established under s.575 of the *Fair Work Act 2009* (the Act).

The Commission undertakes functions relating to the provision of simple, fair and flexible workplace relations for employees and employers through the exercise of powers under the Act. The Commission also has responsibilities relating to the registration of unions and employer associations and their financial accountability pursuant to the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

The Commission consists of:

- a President
- Vice Presidents
- Deputy Presidents
- Commissioners Members, and
- Expert Panel Members.

The Commission has a General Manager who, supported by administrative staff, assists the President in ensuring that the Commission performs its functions and exercises its powers under the Act. The staff of the Commission are engaged under the *Public Service Act 1999*.

Our services

Commission staff are committed to providing excellent levels of fair and efficient service to users of the workplace relations system.

To keep up-to-date with changes to the Act, the RO Act, Commission practices and procedures, or information generated by the Commission, you can:

- visit our website at www.fwc.gov.au
- subscribe to free updates
- Contact us.

How we will work with you

Staff of the Commission demonstrate commitment to the following service delivery principles. This is what you can expect when you access our services.

Accessibility

You can access information in the way you choose—through our website at www.fwc.gov.au, by telephone on 1300 799 675, or in person at one of our office locations.

If you need an interpreter, or assistance owing to disability or impairment, let us know and support will be provided.

If you need help to communicate with us, you can use the Translating and Interpreter Service on 131 450. If you have a hearing, sight or speech impairment, you can use the Speech to Speech Relay through the National Relay Service on 133 677.

Our service

We will work to ensure that our service is:

- informative, accurate and timely
- prompt, courteous and respectful
- professional and helpful.

The work of Commission staff includes:

- providing administrative support to the President and members of the Commission
- assisting individuals and organisations accessing the jurisdiction of the Commission
- providing conciliation services to support the resolution of unfair dismissal applications
- undertaking research in relation to minimum wage matters
- processing forms and documents lodged with the Commission
- providing support to organisations in relation to their rights and obligations under the RO Act, and
- publishing decisions, orders, agreements and modern awards issued by members of the Commission.

What we can't do

- Staff of the Commission can't give legal advice.
- Staff can't advise you about your particular circumstances and whether or not you have a claim.

Accessing our services

If you are lodging an application or document with the Commission and need help to complete a form, a Commission employee will be available to help you (but cannot provide legal advice or comment on the merits of your case).

If you visit our offices you can expect ease of access, clear sign-posting to help you find your way within the premises, and staffed service counters where Commission employees will help with your needs.

If you write to us, we will acknowledge receipt of your correspondence within 7 days, and provide you with an employee's name and contact details for any further follow-up.

Service excellence

Commission staff will work to provide high quality service—it will be timely, accurate and consistent.

If you contact us by telephone, email or online, we will respond to your inquiry promptly. If we are unable to respond to your inquiry immediately, we will advise you when you can expect a response. If your inquiry is received outside of our normal office hours, your contact will be logged and attended to the next working day.

Seamless service

Our services will be provided in a way that keeps you informed and up-to-date, regardless of the way you choose to access our services.

We will help you contact other agencies or bodies that can deal with your inquiry, including the Fair Work Ombudsman. If we need to transfer your inquiry to the Fair Work Ombudsman, we will ensure that this is clearly explained and that the transfer occurs smoothly.

Fairness

Commission staff are committed to providing a service that is ethical, fair and free from discrimination.

Comments, suggestions or complaints about our services can be made through any of the contact methods in the How you can contact us section of this service charter, or by using the Inquiries and feedback page.

Value

Commission staff will seek to keep improving our services in response to your needs and expectations. We are accountable for our actions and resource usage.

How you can help us

You can help us to deliver the standard of service we aim for when you:

- provide accurate and complete information
- inform us about any particular needs you may have
- advise us of any changes to your contact details
- respond to our requests for further information in a timely manner
- treat Commission members and staff with respect.

How you can contact us

You can contact us between 9.00 am and 5.00 pm on ordinary working days.

If you need help to communicate with us, you can use the Translating and Interpreter Service on telephone number 131 450. If you have a hearing, sight or speech impairment, you can use the Speech to Speech Relay through the National Relay Service on 133 677.

- **Email:** Inquiries can be emailed through our Inquiries & feedback page
- **Telephone:** The national Fair Work Commission phone number is 1300 799 675
- **Post:** You can write to us at: Fair Work Commission, GPO Box 1994, Melbourne VIC 3001
- **In person:** Visit the Fair Work Commission office in your capital city—details are on the Commission offices page.

Tell us what you think

Any comments, suggestions or complaints about the services of Commission staff, or about this service charter, can be made through any of the contact methods in the How you can contact us section of this service charter, or by using the Inquiries and feedback page.

A written record will be taken of any oral feedback or complaint that relates to our services. If you require a formal response, it will be issued within an agreed timeframe.

Alternatively you can contact:

- the Commonwealth Ombudsman, which is independent of the Fair Work Commission. Information about the Ombudsman is available at www.ombudsman.gov.au or by telephoning 1300 362 072
- the Human Rights and Equal Opportunities Commission (HREOC), especially if you think you have been discriminated against or disadvantaged because of a complaint you have made. Information is available at the HREOC website www.hreoc.gov.au or by telephoning 1300 656 419, or if you use TTY telephone 1800 620 241.

Appendix M: Fair Work Commission addresses

Fair Work Commission locations and addresses

Australian Capital Territory

Level 2, CML Building
17–21 University Avenue
CANBERRA, ACT, 2600

GPO Box 539
CANBERRA CITY, ACT, 2601

Tel: (02) 6209 2400

Fax: (02) 6247 9774

Email: canberra@fwc.gov.au

New South Wales

Sydney

Level 10, Terrace Tower
80 William Street
EAST SYDNEY, NSW, 2011

Tel: (02) 8374 6666

Fax: (02) 9380 6990

Email: sydney@fwc.gov.au

Newcastle

Level 3, 237 Wharf Road
NEWCASTLE, NSW, 2300

PO Box 805
NEWCASTLE, NSW, 2300

Tel: (02) 8374 6666

Fax: (02) 4926 4032

Email: newcastle@fwc.gov.au

Wollongong

Level 6, 90 Crown Street
WOLLONGONG, NSW, 2500

PO Box 5169
WOLLONGONG, NSW, 2520

Tel: (02) 8374 6666

Email: wollongong@fwc.gov.au

Northern Territory

Level 10, Northern Territory House
22 Mitchell Street
DARWIN, NT 0800

GPO Box 969
DARWIN, NT, 0801

Tel: (08) 8936 2800

Fax: (08) 8936 2820

Email: darwin@fwc.gov.au

Queensland

Level 14, Central Plaza Two
66 Eagle Street
BRISBANE, QLD, 4000

GPO Box 5713
BRISBANE, QLD, 4001

Tel: (07) 3000 0399

Fax: (07) 3000 0388

Email: brisbane@fwc.gov.au

South Australia

Level 6, Riverside Centre
North Terrace
ADELAIDE, SA, 5000

GPO Box 8072
Station Arcade
ADELAIDE, SA, 5000

Tel: (08) 8308 9863
Fax: (08) 8308 9864
Email: adelaide@fwc.gov.au

Tasmania

Level 1, 39–41 Davey Street
HOBART, TAS, 7000

GPO Box 1232,
HOBART, TAS, 7001

Tel: (03) 6214 0200
Fax: (03) 6214 0202
Email: hobart@fwc.gov.au

Victoria

Level 4, 11 Exhibition Street
MELBOURNE, VIC, 3000

PO Box 1994
MELBOURNE, VIC, 3001

Tel: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@fwc.gov.au

Western Australia

Level 16, 111 St Georges Terrace
PERTH, WA, 6000

GPO Box X2206
PERTH, WA, 6001

Tel: (08) 9464 5172
Fax: (08) 9464 5171
Email: perth@fwc.gov.au

Appendix N: List of requirements

Part of report	Description	Requirement	Ref
	Letter of transmittal	Mandatory	iii
	Table of contents	Mandatory	iv–vii
	Index	Mandatory	272–284
	Glossary	Mandatory	267–269
	Contact officer(s)	Mandatory	ii
	Internet home page address and Internet address for report	Mandatory	ii
Year in review			
	Review by departmental secretary (President of the Commission)	Mandatory	2–4
	Summary of significant issues and developments	Suggested	2–7, 10
	Overview of department's performance and financial results	Suggested	2–7, 10, 128–130, 151
	Outlook for following year	Suggested	7, 23–24
	Significant issues and developments – portfolio	Portfolio departments – suggested	N/A
Overview			
	Role and functions	Mandatory	14–16
	Organisational structure	Mandatory	17–18
	Outcome and programme structure	Mandatory	12–13
	Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	N/A
	Portfolio structure	Portfolio departments – mandatory	N/A

Part of report	Description	Requirement	Ref
Report on performance			
	Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory	Part 3
	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	Part 3, 128–130
	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	N/A
	Narrative discussion and analysis of performance	Mandatory	Part 3
	Trend information	Mandatory	23–24, Part 3
	Significant changes in nature of principal functions/ services	Suggested	23–40, 42
	Performance of purchaser/provider arrangements	If applicable, suggested	152
	Factors, events or trends influencing departmental performance	Suggested	23–40, 42–50
	Contribution of risk management in achieving objectives	Suggested	142
	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	148–150
	Discussion and analysis of the department's financial performance	Mandatory	151
	Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	151
	Agency resource statement and summary resource tables by outcomes	Mandatory	155–156

Part of report	Description	Requirement	Ref
Management and accountability			
Corporate governance			
	Agency heads are required to certify their agency's actions in dealing with fraud.	Mandatory	142, Appx I
	Statement of the main corporate governance practices in place	Mandatory	132–133
	Names of the senior executive and their responsibilities	Suggested	132
	Senior management committees and their roles	Suggested	132–133
	Corporate and operational plans and associated performance reporting and review	Suggested	134–138
	Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	141
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	138–139
	How nature and amount of remuneration for SES officers is determined	Suggested	148
External scrutiny			
	Significant developments in external scrutiny	Mandatory	140
	Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	141
	Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	140
Management of Human Resources			
	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	134–136, 142–147
	Workforce planning, staff retention and turnover	Suggested	134–136, 142–144
	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	147

Part of report	Description	Requirement	Ref
	Training and development undertaken and its impact	Suggested	135–136
	Work health and safety performance	Suggested	137–138
	Productivity gains	Suggested	136
	Statistics on staffing	Mandatory	143–147
	Statistics on employees who identify as Indigenous	Mandatory	146
	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	147
	Performance pay	Mandatory	148
Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	151
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	152
Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	154
Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	154
Exempt contracts	Contracts exempted from publication in AusTender	Mandatory	154
Small business	Procurement initiatives to support small business	Mandatory	153
Financial Statements	Financial Statements	Mandatory	Appx J

Part of report	Description	Requirement	Ref
Other mandatory information			
	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	137–138, 192
	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	192
	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	193
	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	N/A
	Grant programmes	Mandatory	193
	Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	194
	Information Publication Scheme statement	Mandatory	139, 192
	Correction of material errors in previous annual report	If applicable, mandatory	194
	Agency Resource Statements and Resources for Outcomes	Mandatory	155–156
	List of Requirements	Mandatory	Appx N

Glossary

Note: definitions in this glossary have been prepared to assist readers in understanding this annual report. They should not be regarded as comprehensive or legally authoritative.

annual wage review	A review of award minimum wages and the national minimum wage order conducted by the Expert Panel of the Commission each financial year.
applicant	The initiating party to a proceeding before the Commission.
arbitration	A process in which the Commission determines a grievance or dispute by imposing a binding settlement. The Commission has powers of compulsory arbitration as well as offering arbitration by consent.
bargaining representative	An employer or a person appointed by the employer to be their representative; an employee organisation with respect to its members who will be covered by the agreement (unless the member appoints another person or revokes the status of the employee organisation); or any other person the employee appoints in writing to participate in negotiations on their behalf.
better off overall test (BOOT)	The test that the Commission must apply to a proposed agreement before it can be approved to ensure that employees will be better off overall than under the applicable award. Individual flexibility arrangements under modern awards and enterprise agreements must also satisfy the test.
collective agreement	A legally enforceable agreement made under previous legislation about terms and conditions of employment between an employer and a group of employees, or between an employer and one or more unions. Collective agreements were approved by the Workplace Authority.
conciliation	One of the informal processes used by the Commission to facilitate the resolution of a grievance or a dispute between parties by helping them to reach an agreement. Mediation is another informal technique used.
corporate governance	The process by which agencies are directed and controlled. Corporate governance is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Discrimination – direct and indirect	Direct discrimination occurs when someone is treated unfairly or less favourably in the same or similar circumstances because of particular characteristics, for example, because of their gender or race. Indirect discrimination occurs when there is a rule, policy, practice or procedure that is the same for everyone, but has an unequal or disproportionate effect for a specific group of people with those characteristics.
dispute resolution	The process conducted by the Commission, arising from the dispute resolution procedure in awards, agreements or the Fair Work Act, for resolving disputes.

dispute resolution procedure	The procedure specified in a modern award or enterprise agreement for the resolution of disputes arising under the award or agreement and in relation to the National Employment Standard. If no procedure is specified a model dispute resolution procedure specified in the Fair Work Act is deemed to apply.
enterprise agreement	A legally enforceable agreement that covers the employment conditions of a group of employees and their employer. Enterprise agreements can be single or multi-enterprise agreements and must meet a number of requirements of the Fair Work Act before they can be approved by the Commission.
<i>Fair Work Act 2009</i>	The principal Commonwealth law governing Australia's workplace relations system.
<i>Fair Work (Registered Organisations) Act 2009</i>	The legislation that covers the registration and accountability of federally registered unions and employer associations.
<i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>	The legislation that governs transitional matters in connection with the Fair Work Act and other related matters.
Federal Court of Australia	The court with jurisdiction over matters arising under the Fair Work Act.
Full Bench	A Full Bench of the Commission is convened by the President of the Commission and comprises at least three Commission Members, one of whom must be either the President, a Vice President or a Deputy President. Full Benches are convened to hear appeals, matters of significant national interest and various other matters specifically provided for in the Fair Work Act.
<i>Future Directions</i>	The Fair Work Commission's ongoing change program.
general protections	General workplace protections specified in the Fair Work Act including freedom of association, protection from discrimination and sham contracting, and the ability to exercise, or to not exercise, workplace rights. The general protections provisions provide a right to apply to the Commission if an employee or employer is the subject of adverse action, such as termination of employment, refusal to employ a worker, or different (and unfair) conditions to other employees.
individual flexibility arrangement	An agreement between an employer and an individual employee that modifies the application of a modern award or enterprise agreement. The individual flexibility arrangement must satisfy the better off overall test. There is no requirement to register an individual flexibility arrangement.
mediation	One of the informal processes used by the Commission to facilitate the resolution of a grievance or a dispute between parties by helping them to reach an agreement. Conciliation is another informal technique used.
modern award	An award created by the Commission. Modern awards came into effect on 1 January 2010 and include terms that complement the National Employment Standards (NES). The Commission must ensure that, together with the NES, modern awards provide a fair and relevant minimum safety net. Modern awards are expressed to cover entire industries and/or occupations.

National Employment Standards	A set of 10 minimum employment standards that apply to all employees within the federal system from 1 January 2010. The National Employment Standards include maximum weekly hours, requests for flexible working arrangements, parental leave and related entitlements, annual leave, personal/carer's leave and compassionate leave, community service leave, long service leave, public holidays, notice of termination and redundancy pay.
national minimum wage order	The Commission must make a national minimum wage order each year in the annual review undertaken by the Expert Panel. It includes a minimum wage for all national system employees, a casual loading for award and agreement-free employees, and special minimum wages for junior employees, trainees and employees with a disability.
national system employee	An employee covered by the national workplace relations system because they are employed by a constitutional corporation, the Commonwealth or a state reference employer, in certain designated industries or in a territory.
national system employer	An employer covered by the national workplace relations system because they are a constitutional corporation, the Commonwealth or a state reference employer, in certain designated industries or in a territory.
'New Approaches'	The Fair Work Commission's pilot program to assist it to meet its statutory obligation to 'promote productive and cooperative workplace relations and prevent disputes'.
party	An applicant or a respondent to a proceeding before the Commission.
protected action ballot	A secret ballot allowing employees directly concerned to vote on whether or not they authorise industrial action to advance the claims for their proposed enterprise agreement.
registration	The process by which employee and employer associations formally register as industrial organisations. Registration under the Registered Organisations Act confers certain rights and obligations, including the right to appear before the Commission and the obligation to report to the Commission on certain financial and other matters.
respondent	A party to a matter who is responding to an application initiated by someone else.
right of entry	The legal right of union officials to enter business premises under certain conditions for purposes described in the Fair Work Act.
right of entry permit	A permit issued by the Commission to officials of a union who are found to be 'fit and proper persons' to hold an entry permit. A permit holder is able to utilise specific rights under the Fair Work Act.
Small Business Fair Dismissal Code	The Small Business Fair Dismissal Code came into operation on 1 July 2009. The code applies to small business employers with fewer than 15 employees and provides protection against unfair dismissal claims where an employer follows the code.
unfair dismissal	Unfair dismissal occurs when the employee who is protected by unfair dismissal provisions has been dismissed, the dismissal is harsh, unjust or unreasonable, it is not a genuine redundancy, and the dismissal is not consistent with the Small Business Fair Dismissal Code (if it applies).

Acronyms and abbreviations

AEC	Australian Electoral Commission
AIRC	Australian Industrial Relations Commission
ALERA	Australian Labour and Employment Relations Association
AMWU	Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union known as the Australian Manufacturing Workers' Union
APS	Australian Public Service
ASU	Australian Municipal, Administrative, Clerical and Services Union trading as Australian Services Union
AWAs	Australian Workplace Agreements
AWRS	Australian Workplace Relations Study
AWU	Australian Workers' Union
BOOT	Better off overall test
CMS plus	the case management system used by the Fair Work Commission
Commission	Fair Work Commission
DP	Deputy President
Fair Work Act	<i>Fair Work Act 2009</i>
FOI	freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
FWAEA	<i>Fair Work Australia Enterprise Agreement 2011–14</i>
GST	goods and services tax
HSMA	Health and safety management arrangements
HSRs	Health and safety representatives
HSU	Health Services Union
ICT	information and communications technology
IEUA	Independent Education Union of Australia
ILO	International Labour Organization

IPS	Information Publications Scheme
IRCNSW	Industrial Relations Commission NSW
ITEA	Individual Transitional Employment Agreement
KPIs	key performance indicators
MOU	Memorandum of Understanding
NES	National Employment Standards
NUW	National Union of Workers
OHS	occupational health and safety
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
Public Service Act	<i>Public Service Act 1999</i>
Public Service Regulations	Public Service Regulations 1999
QIRC	Queensland Industrial Relations Commission
QR Code	quick response code
Registered Organisations Act	<i>Fair Work (Registered Organisations) Act 2009</i>
Review (the)	4 yearly review of modern awards
RMIT	Royal Melbourne Institute of Technology
RSRT	Road Safety Remuneration Tribunal
RSR Act	<i>Road Safety Remuneration Act 2012</i>
SAIRC	South Australian Industrial Relations Commission
SDP	Senior Deputy President
SES	Senior Executive Service
SME	Small and medium-sized enterprises
TIC	Tasmanian Industrial Commission
TMAA	Traffic Management Association of Australia
Transitional Act	<i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>
VP	Vice President
WHS	work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>
Workplace Relations Act	<i>Workplace Relations Act 1996</i>

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