



General Manager's statement

Implementation of recommendations from the Registered Organisations Governance and Compliance External Review

Melbourne, 30 June 2025

In late March 2023, I engaged two independent external reviewers to consult with registered organisations, their peak bodies and Commission staff to identify opportunities to improve service delivery and identify barriers to promoting best practice governance and the democratic functioning of registered organisations.

The review report

The reviewers, Anna Booth and Jonathan Hamberger, delivered their final report (review report) on 21 August 2023. The review report included 25 recommendations to improve support for registered organisation.

On 28 September 2023, I published the review report and committed to closely examining the feasibility of implementing each of the recommendations. These documents can be accessed here:

- [Registered Organisations Governance and Compliance External Review Report](#)
- [General Manager's response to the review findings and recommendations](#)

My response included a table which outlined each of the 25 recommendations with a status update of initial activities we had undertaken in response to the feedback from registered organisations.

Our update

We remain very thankful to the registered organisations and their peak associations for investing their time in this independent review. At the time, I indicated that the best way I could thank them was to listen intently to their feedback and dedicate the resources necessary to inform the future delivery of education, advice and compliance services.

I am pleased to report that the vast majority of recommendations that do not require legislative reform have now been implemented in full, including:

- The publication of the [General Manager's Compliance and Enforcement Policy](#)
- The development and publication of [model rules](#) for registered organisations
- The development and publication of a [Compliance Practitioners Induction Kit](#)
- Streamlining of the application process and improved timeliness in dealing with applications for entry permits

As I noted in my 28 September 2023 response, some of the recommendations in the review report require legislative amendment. These recommendations have been provided to the Department of Employment and Workplace Relations for consideration.

Finalising implementation

While this will be my final update in relation to the review, we have not finished innovating or improving our activities to better support ROs. We are always looking for opportunities to improve.

I encourage all registered organisations to continue to engage with my specialist staff to offer ideas and practical solutions that will the lawful operations of registered organisations for the benefit of their members.

Thanks

I am very grateful to the registered organisations for having the trust to participate so meaningfully in this review. I am equally grateful to the members of the [Registered Organisations Advisory Group](#) for their high-level guidance and members of the [Compliance Practitioners Reference Group](#) for their practical feedback.

I thank Anna Booth and Jonathan Hamberger for their expertise and the collaborative, open and transparent way they conducted their independent review. Their work has been the cornerstone of our efforts to improve support for registered organisations.

Finally, I would like to recognise the expertise and dedication of the staff in the Commission's Registered Organisations Services Branch (ROSB) in implementing the recommendations. They are exceptional.

Murray Furlong
General Manager
Fair Work Commission

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Completed Recommendations

The below recommendations have been completed. Additional work may still be undertaken in these areas in the future to ensure that the resources produced are up to date and where possible steps are being taken to implement additional streamlining and efficiencies.

Recommendation	Update
Endorsement of the independent report and all recommendations.	On 25 August 2023, Registered Organisations Commission Transition Advisory Committee (ROTAC) members endorsed the independent report and all recommendations.
There should be a permanent advisory committee with the GM and representatives from the ACTU, ACCI, and AiG.	On 25 August 2023, ROCTAC members approved the recommendation to establish a permanent Registered Organisations Advisory Committee (ROAC). ROAC meets quarterly and is made up on representatives from ACCI, ACTU, Ai Group and the General Manager.
There should be a regular compliance practitioners' reference group (CPRG) to consult on technical matters.	The CPRG was established and had its inaugural meeting in December 2023. It continues to meet quarterly.
The GM should publish a Compliance and Enforcement policy using FWO's policy as a template. The policy should ensure a positive regulatory culture that encourages voluntary compliance and supports the democratic functioning of organisations and is aligned with the interests of the members.	The General Manager's Compliance and Enforcement Policy was released in May 2024. The policy provides simple and clear information about how the General Manager, supported by specialist staff within the ROSB undertake compliance and enforcement activities.

Recommendation	Update
<p>The financial statement should no longer be automatically assessed. Assessment should only occur in accordance with strategic compliance principles.</p> <p>The ROSB should develop, in consultation with the CPRG, an 'easy to read' model summary financial statement for members. The auditor should confirm that this summary document is consistent with the full financial report.</p>	<p>The General Manager is taking a strategic compliance principles approach to assessing financial reports. The vast majority (about 75-80%) of lodged financial reports (FRs) are assessed against a lower level (primary) checklist. In most instances, these reports are resulted by a filing letter with no further action. Adherence by the ROSB to strategic compliance principles enable the remaining FRs (about 20%) to be assessed via higher-level (advanced) checklists.</p> <p>The General Manager notes that the RO Act provisions enable reporting units to prepare concise reports as per AASB 1039 - Concise Financial Reports. The financial statements required in a concise report are derived from the reporting unit's full financial report.</p>
<p>Model rules, including election rules, should be developed in consultation with ROAC to encourage democratic and efficient management.</p>	<p>The General Manager published Model Rules on 28 March 2025 following extensive consultation and collaboration with a range of stakeholders.</p> <p>One model rule book has been prepared for organisations with unitary rules (those without branches) and one for those with federated rules (with branches).</p> <p>The rule books feature extensive expert annotation that makes accessible a century of case law, the complex rules requirements and guides users through some of the intricacies of rules law.</p> <p>On 30 June 2025 we published Appendix B to these two rule books which contains model rules on the conduct of elections in registered organisations. Appendix B was drafted following intensive consultation with registered organisations and with extensive input from and collaboration with the Australian Electoral Commission (AEC).</p>

Recommendation	Update
<p>An induction pack for organisation compliance staff should be developed in conjunction with the CPRG.</p>	<p>The Compliance Practitioner Induction Kit was released on 20 July 2024.</p>
<p>The Branch should improve the time it takes to deal with applications for rule changes (which should be made via the portal). It is acknowledged that this might require some additional resources.</p> <p>The Branch should adopt performance standards in processing rule change applications (using the certification of rule changes - not time taken to 'assess').</p> <p>Feedback should be provided on where applications are up to in the assessment process (through the portal), and explanations should be provided for any delays.</p>	<p>The General Manager has approved additional resources for the assessment of rules applications and ROSB specialist staff have implemented new processes designed to improve timeliness in dealing with these applications from lodgment to allocation to the delegate or Member for determination.</p> <p>Improvements to communication of progress of applications have also been implemented.</p> <p>The portal is yet to be designed for operation</p>

Recommendation	Update
<p>The process for obtaining a right of entry permit should be significantly streamlined, and the need for one-on-one meetings to verify identity should be eliminated.</p> <p>The process for obtaining a permit should be no more onerous than that required to obtain a passport unless there are good grounds for questioning whether the proposed permit holder may not be a fit and proper person.</p> <p>Renewal application should be even more streamlined – in particular, there should be no need for further identity checks.</p>	<p>In August 2024 two new forms were approved by the Fair Work Commission and then released. Form F42 is a simplified and reformatted version of the previous permit application form. Form F42D is a new form that acts as a renewal form for applicant’s who already hold a current entry permit, are still an official of the same organisation, and are applying for their next permit, with no other changes of circumstances.</p> <p>In addition to these new forms, the identification processes for all right of entry permits were significantly streamlined to reduce the regulatory burden. Permit processing times have reduced significantly and become more efficient because of streamlining and process improvement, with the median permit processing time now 14 days.</p> <p>Continuing innovation in the application for permit process continues in consultation with ROAC and CPRG.</p>
<p>There should be greater involvement of ROSB staff with expertise in RO rules in assisting AEC in conducting elections. There should be an MOU between the FWC and the AEC to promote the fair and efficient conduct of RO elections.</p>	<p>Letters of co-operation and collaboration have been exchanged between the AEC and the Commission. Regular scheduled meetings are now conducted between the Commission and the AEC to focus on process improvement and communication.</p> <p>Collaboration regarding the model election rules project has established open and ongoing communication between both agencies focused on efficiency and future process improvement.</p> <p>High level Executive engagement is continuing between the FWC and AEC to assess the benefits of an MOU.</p>

Recommendation	Update
<p>ROs should be audited to the Tier 2 standard that applies to charities and other not-for-profit entities. This would impact disclosures rather than financial results reporting and be a time saver for ROs. Publicly listed companies are subject to Tier 1 audits because of the unique requirement to provide details to shareholders. ROs do not warrant this level of auditing.</p>	<p>Following an extensive review and analysis by the ROSB, including consulting with an external auditing firm, the General Manager determined that transitioning to audit financial reports to the Tier 2 standard would add significant complexities to the processing of financial reports while removing important layers of financial governance, transparency and accountability to members of registered organisations.</p> <p>The ROSB has invested significant time and resources into streamlining the model financial statements published by the Commission for the benefit of federally registered organisations. The model financial statements are aimed at assisting small to medium size reporting units who have limited resources to employ or engage specialised financial personnel. The streamlining focuses on what the Commission has observed as the more typical disclosures within this jurisdiction. The Commission also provides supplementary documents with examples of those more significant or complex disclosures to assist registered organisations. This feature has reduced the regulatory burden on registered organisations and we anticipate that further streamlining introduced for the 2024-2025 financial year will reduce the length of the financial reports even further.</p> <p>The ROSB engaged with and communicated detailed information associated with these findings to the CPRG at its most recent meeting on 18 June 2025.</p>



Recommendations that require legislative change

The below recommendations require legislative change or additional funding and have been referred to the Department of Employment and Workplace Relations for consideration:

- A portal should be implemented to allow for the submission of all reports and applications. This should enable ROs to see online all the previous reports they have submitted. The portal should be designed in consultation with the CPRG.
- Our attention has been drawn to the growth of unregistered associations that purport to be membership-based and participate in the industrial relations system alongside ROs. Some ROs have expressed concern that such organisations operate without the obligations upon ROs that are designed to protect members' interests. This is an issue that stakeholders and policy makers may wish to explore further.
- We recommend a full review be undertaken of the penalties that apply under the RO Act – including the application of criminal penalties and the impact this may have on the participation of members in the running of their organisation. The review should have regard to the penalty regimes that apply to other not for profit institutions.
- There should be a longer-term review of the financial reporting requirements in the RO Act that are in excess of those required of listed companies to assess whether these additional requirements add value.
- The legislation should be amended to allow scope for voting electronically.
- The annual return, financial statement, loans, donations and grants report and officer and related party disclosure statement should all be consolidated into one audited return (to be submitted via the portal).
- The only changes in office holders that should continue to be reported as they occur throughout the year should be for positions that exercise significant direct control over the operations and finances of the registered organisations on a day-to-day basis. Otherwise, changes in office bearers should be reported once a year as part of the consolidated report.
- Changes in office holders should be reported through the portal.