



Registered organisations functions: 12 month review

Melbourne, 6 March 2024

It has now been 12 months since the *Fair Work Legislation Amendment (Secure Jobs Better Pay) Act 2022* (Secure Jobs Pay Act) transferred the functions of the former Registered Organisations Commissioner to me as General Manager of the Fair Work Commission.

Since 6 March 2023, we have successfully transitioned former Registered Organisations Commission (ROC) staff and operational systems. We have undertaken an external governance and compliance review, significantly improved timeliness of entry permit and rule alterations applications and initiated or completed more than 30 projects to enhance service delivery. Throughout this time, we have continued to provide seamless service and assistance to registered organisations.

I am pleased to share this 12 month review of our work supporting registered organisations to achieve voluntary compliance for the benefit of their members and to outline the work ahead.

Shared interests and working in partnership

My approach as a regulator is to assist registered organisations to maintain positive regulatory cultures that embed practices of good governance and voluntary compliance through the provision of education, assistance and advice.

The basis of this is cooperation and trust. It's about working together, with a focus on information sharing to identify barriers to compliance, streamline processes, appropriately identify and manage risks, and educate and empower registered organisations to drive their own good governance practices, for the benefit of their members.

The transition

Establishing the Registered Organisations Services Branch (ROSB)

As a result of careful planning ahead of 6 March 2023, we were able to transfer the ROC's people and systems to the Commission with minimal interruption. Registered organisations received uninterrupted services during this time to ensure they could continue to comply with their obligations under the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

In July 2023, with the team successfully transferred and operating well, we established the Registered Organisations Services Branch (ROSB). We did this by consolidating the Commission's Registered Organisations (Registration, Permits and Rules) Section with the former ROC team.

I thank the staff of the ROSB for their energy, collaboration and hard work during this period of transition.

Registered Organisations Commission Transitional Advisory Committee

In February 2023, the Registered Organisations Commission Transitional Advisory Committee was established to assist with the transfer of functions. Committee members were the Australian Industry Group, Australian Council of Trade Unions and the Australian Chamber of Commerce and Industry.

I am thankful that the group agreed to remain convened as a permanent advisory group. The group, now called the Registered Organisations Advisory Committee (ROAC), continues to provide me with invaluable advice and assistance to deliver services that best meet the needs of registered organisations and their members. Their advice and assistance will be integral to consolidating and improving our registered organisations services into the future

Our work

Work of the ROSB

The work that the staff in ROSB undertake on my behalf is significantly different from other work undertaken at the Commission.



The ROSB's operational work includes:

- regulatory education, advice, support and assistance activities
- receiving, assessing and publishing:
 - audited financial returns
 - annual returns (including office holders and membership) and notifications of changes to offices
 - registrations of auditors
- approving financial training packages
- assessing exemptions from financial training
- assessing routine and complex rule alterations
- assessing right of entry permit applications
- arranging elections for officers
- receiving and assessing officer and related party statements
- receiving and assessing loans, grants and donations statements
- conducting inquiries and investigations, including whistleblower disclosures.


Independent review of Registered Organisations functions by external reviewers Anna Booth and Jonathan Hamberger

The transfer of functions provided an opportune time to listen to our regulated community. In late March 2023, I engaged two independent reviewers to look at the service delivery of the Commission's registered organisations governance and compliance functions. The reviewers were former Commission Members Anna Booth and Jonathan Hamberger.

The reviewers sought submissions, conducted workshops and meetings with representatives from registered organisations (state and federal branches) and their peak bodies, and ensured that those who participated in the review were diverse, including in relation to industry sector, size, complexity, location and financial resources.

For more information, I invite you to read:

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



In my response to the review (published on 28 September 2023), I committed to progress each of the approximately 25 recommendations. I am pleased to advise that every recommendation has now either been completed or significant action taken towards implementation or delivery.

I noted at the time that some of the recommendations from the review would require legislative change. My powers are confined to the functions prescribed by the RO Act. Information has been provided to the Department of Employment and Workplace Relations for their consideration as the agency responsible for policy across this portfolio of government.

Education, advice and assistance


We released our [2024–2025 Education and Engagement Strategy](#) in December 2023 after engaging with the Commission’s Compliance Practitioner Reference Group, ROAC and registered organisations. The strategy includes a calendar of deliverable education projects, tools and products for the next 12 months, including:

- an induction pack for organisation compliance staff
- a guidance note on the registration of organisations
- the reintroduction of in-person education, support and learning events across Australia
- new podcast episodes and quarterly newsletters, and
- the release of the General Manager’s reporting guidelines and the 2023/2024 Model Financial Statements.

Since March 2023, the ROSB has delivered 6 *Governance to You* sessions to registered organisations and their branches, and the program continues to grow in popularity. These voluntary sessions involve ROSB subject matter experts delivering tailored information on ways to improve compliance within the operating environment of the organisation. I encourage any organisation to read more about [booking a Governance to You](#) visit.

Compliance and enforcement activities

The ROSB released an interim [Compliance and Enforcement Policy](#) in April 2023 and continues to progress key regulatory initiatives, including a major investigation (ongoing), 4 inquiries (all complete) and several whistleblower matters.



Two court proceedings were commenced by the ROC and transferred to me as the applicant on 6 March 2023.

General Manager of the Fair Work Commission v Stephen Smyth – [QUD411/2021]

Proceedings in the Federal Court against Stephen Smyth were commenced by the ROC. They transferred to The General Manager of the Fair Work Commission on 6 March 2023.

The proceedings allege Mr Smyth incurred unauthorised personal expenditure across approximately 80 transactions. The proceedings raise issues about the appropriate use of registered organisation resources by senior officials for personal use, regardless of any intention to repay.

The proceedings were largely completed by the time the ROC was abolished and the functions were transferred to me. The decision was reserved soon after the transfer.

General Manager of the Fair Work Commission v AWU – [NSD992/2022]

Proceedings in the Federal Court against the Australian Workers' Union (AWU) were commenced by the ROC. They transferred to The General Manager of the Fair Work Commission on 6 March 2023.

The proceedings related to statutory obligations to keep accurate copies of its membership register. At the conclusion of the Federal Court proceedings in December 2023, the AWU and I agreed to [issue a joint statement](#). I extend my appreciation to the AWU for their cooperation.

First enforceable undertaking

On 17 November 2023, we published a [guidance note on enforceable undertakings](#).

On 21 December 2023, I accepted the Commission's first enforceable undertaking. The Community and Public Sector Union (CPSU) State Public Services Federation (SPSF) entered into the undertaking after admitting non-compliance by its Western Australia Prison Officers' Union Branch in relation to elections and notifications.

We anticipate that during the course of 2024 the Commission will continue to make use of enforceable undertakings as a compliance option, particularly for organisations which readily acknowledge that apparent contraventions have occurred in circumstances that may not warrant civil penalty proceedings.

CFMMEU withdrawal from amalgamation

The Federal Court set the date for the Mining and Energy Union (MEU) to withdraw from its amalgamation with the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) as 1 December 2023. From this date, the CFMMEU's name was changed to the Construction, Forestry and Maritime Employees Union and reverted to using its original acronym of CFMEU. The Mining and Energy Union became a new registered organisation from 1 December 2023.

ROSB undertook a significant amount of work, along with the CFMMEU and the MEU, to ensure the smooth transition, including:

- issuing a certificate of registration to the MEU from the General Manager
- updating our case management systems and website information
- ensuring appropriate arrangements were made for the continuity or amendment of right of entry permits for officials of each organisation
- advising both unions on their reporting and other regulatory compliance obligations
- individually notifying more than 22,000 affected members of their withdrawal from the CFMEU and commencement of their membership of the MEU as required under section 111(2) of the RO Act.

Our performance

The former ROC's Portfolio Budget Statement KPIs were transferred to the Commission to report on for the 2022–2023 financial year. These included timely assessment of financial reports, annual returns and auditor registrations, the timely arrangement for the conduct of industrial elections, and successful delivery of items in the education strategy. We exceeded all 5 of these KPIs. Over the past 12 months, internal timeliness KPIs have also improved, particularly relating to right of entry permits and rules alterations. I recognise that registered organisations have expectations around turnaround times and how long they have to wait can have impacts on the ways they govern their own organisations. We continue to make improvements to deliver better outcomes for registered organisations in these areas.

One area we have received feedback about, including as part of the external review, is around the length of time it takes and the administrative burden associated with, the Commission's processing of right of entry permit applications. We have implemented several key reforms to improve the process and therefore the length of time that organisations must

wait for their permits. This has included removing some duplication of process and amending checklist documentation to streamline the process.

In March 2023, the average time to approve an application for an entry permit was 28 days. Following the implementation of the reforms outlined above, the average processing time has been reduced to 21 days as at 29 February 2024. This is an improvement of 25% in processing time. We are focussed on further reforms in this area, and anticipate a further significant improvement in timeliness throughout 2024.

Over the past 12 months, the ROSB has:

Received:	23 potential whistleblower matters
Finalised:	25 whistleblower matters 251 loans, grants and donations statements 376 officer and related party statements 86 annual returns
Arranged:	166 elections
Sent:	approximately 1600 courtesy and reminder letters
Assessed:	271 Financial Reports
Granted:	1134 Right of Entry Permits 52 Work, Health and Safety permits 188 exemptions to officers from undertaking Governance Training
Registered:	18 auditors

Our future – Looking ahead

Our work as a co-production

It is vitally important to me that registered organisations can focus their resources on advancing the interests of the members they serve.

My approach to regulating and regulation in general is that it is a co-production. There are shared responsibilities between the regulator and, in our case, the registered organisations, and a shared interest in ensuring voluntary compliance on an ongoing basis.

This co-production to regulation will be a key theme moving forward. It is an approach that offers us the best chance of ensuring registered organisations have the tools, resources and skills necessary to achieve compliance with their obligations and to build and enhance their internal cultures so that good governance can be achieved for the benefit of their members.


By engaging with our consultative groups ROAC and CPRG, and through our Listen and Learn program, we will continue to seek feedback and take a shared approach to problem solving and reducing barriers and obstacles to compliance where appropriate.

We are committed to implementing the remaining recommendations of the external review. In the months ahead we will be focussed on delivering and finalising those commitments, at which point we will work closely with registered organisations to identify new ways to improve our services.

Upcoming engagement

In April and May 2024, we will deliver our first 2 in-person Registered Organisations Education and Support Program sessions. These are half-day in-person events in Melbourne and Sydney where registered organisations can come along and meet with subject matter experts from the ROSB and their peers to discuss compliance and governance issues. Sessions will be delivered in Brisbane, Adelaide, Perth, Hobart and Canberra during the 2024 calendar year.

Further engagement is scheduled with registered organisations towards the end of March to hear about the current status of the model rules project, with the opportunity to provide feedback to the vendor who successfully tendered to deliver the project on the ROSB's behalf.



Subscribe to our [Registered Organisations content subscription service](#) to find out about upcoming opportunities to engage with us on important topics.

In an out-of-sessions meeting of the CPRG in late January, there was a preliminary discussion on scoping the feasibility of consolidating annual returns, financial statements, loans grants and donations and officer and related party statements into one audited return lodged with the Commission each year. The consolidation of these statutory lodgements was a recommendation of the external review.

Gathering people who are familiar with the reporting obligations for registered organisations and the timelines associated with them was considered an excellent place to start in advancing this discussion. I anticipate there will be many more discussions like this with the ROAC and the CPRG moving forwards as part of our co-production process.

Work in development

Work is ongoing to merge the former ROC's case management system with the Commission's existing case management system. We anticipate that this will be finalised in the second half of 2024.

We are also looking to progress the portal project so that registered organisations can directly lodge information with an interface on our website, instead of having to manually fill in, scan and email documents to the ROSB, saving them considerable time and money.

Additionally, the Commission's Compliance and Enforcement Policy will be finalised and published shortly.

Thank you

I extend my deep appreciation to the registered organisations and their peak associations for working closely with us to help build the foundations that organisations need to achieve good governance for their members. I look forward to our continuing partnership as we identify barriers to compliance and look for practical solutions together.

I will continue to acknowledge and respect their contribution on an ongoing basis by ensuring their feedback meaningfully informs the future delivery of education, advice and compliance services.

Finally, I would like to thank the staff in the ROSB for all their efforts and the support and feedback that they provide me.

Murray Furlong
General Manager
Fair Work Commission