

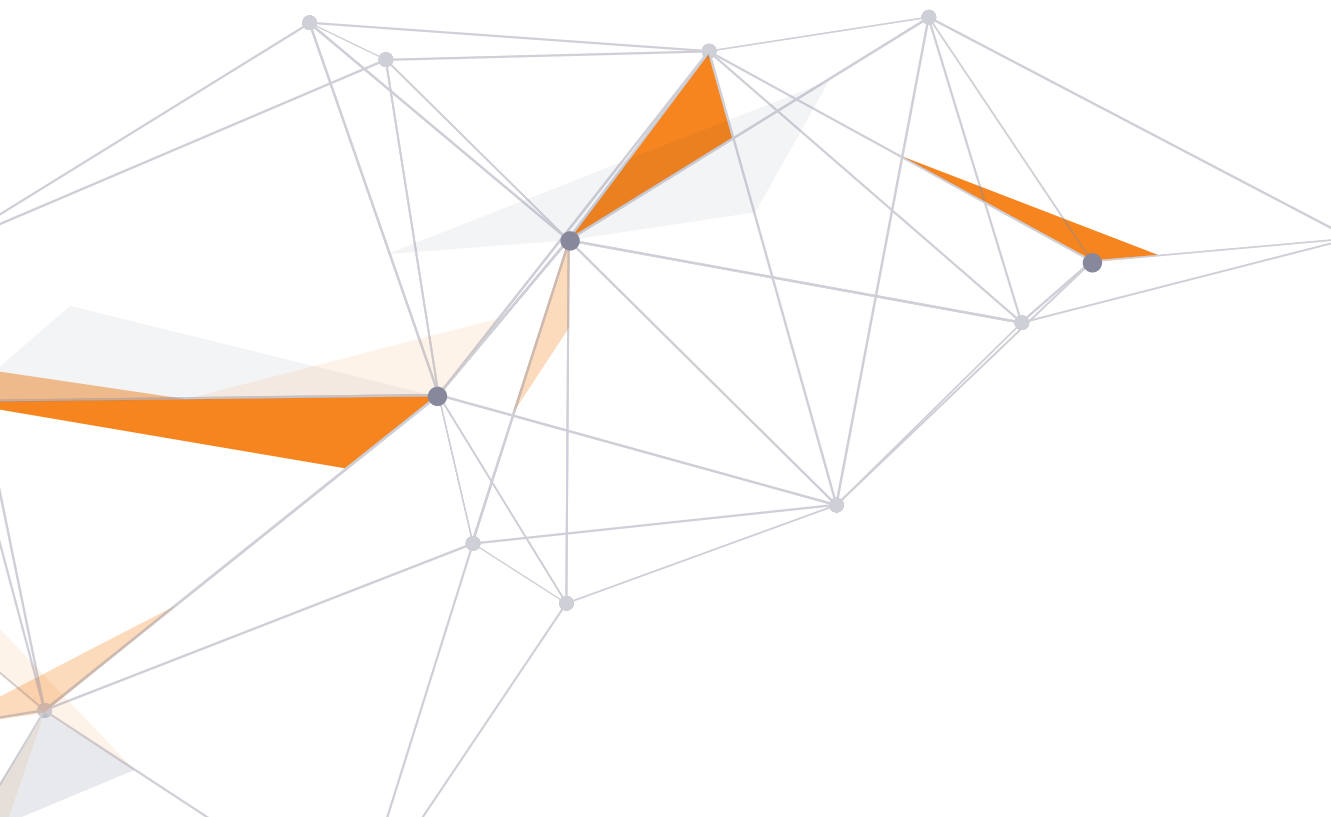


FairWork
Commission

Annual Report

Access to Justice

2019–20



Fair Work Commission

Australia's national workplace relations tribunal

Requests for information and feedback

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ISSN 2204-3799 (printed copy)
ISSN 2202-3802 (online copy)



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Publication

This publication is designed by Collier Creative and edited by Neil Conning & Associates.

This publication is available in an accessible PDF format at www.fwc.gov.au/annual-report and the HTML version at www.transparency.gov.au.

Letter of transmittal



Australia's National Workplace
Relations Tribunal

23 September 2020

Hon Christian Porter MP
Attorney-General
Minister for Industrial Relations
Parliament House
Canberra ACT 2600

The Honourable
Justice Iain Ross AO
President

Bernadette O'Neill
General Manager

Dear Minister

We are pleased to present to you the annual report of the Fair Work Commission for the financial year ended 30 June 2020.

This report is provided pursuant to s.652 of the *Fair Work Act 2009* and in accordance with s.46 of the *Public Governance, Performance and Accountability Act 2013* and the Public Governance, Performance and Accountability Rule 2014.

Yours sincerely

Justice Iain Ross AO
President

Bernadette O'Neill
General Manager

Readers' guide

This annual report informs the Australian Parliament and public about the Fair Work Commission's performance and compliance with its obligations in the financial year ending 30 June 2020.

Part 1 – Overview

The overview includes reports from the President and General Manager and provides information about the Commission, including its organisational structure, Members, staff and stakeholders.

Part 2 – Performance

Part 2 provides information about the Commission's work and performance during 2019–20.

Part 3 – Annual performance statements

Part 3 provides information about the Commission's performance during 2019–20. It includes an outline of the Commission's performance framework and details the Commission's performance against intended results and performance criteria set out in its portfolio budget statements and corporate plan.

Part 4 – Management and accountability

Part 4 reports on the Commission's internal operations, including corporate governance, external scrutiny, human resources management and financial management. It also reports against certain legislated annual reporting requirements.

Appendices and references

Seven appendices provide detailed information to complement the main report. Appendices A to C provide details of Members, panels and Members' activities, and additional tables and figures, including applications lodged with the Commission in 2019-20; Appendix D comprises the 2019-20 financial statements; Appendix E reports on entity resources; Appendix F sets out other mandatory information; and Appendix G shows where each annual reporting requirement is addressed in this annual report.

At the back of the report is information to help readers – including a glossary, a list of acronyms and abbreviations, and an index – and contact details for the Commission.

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'2019–20 has been a busy and challenging year for the Commission, as it has been for the Australian community generally. The COVID-19 pandemic has affected many aspects of our lives and has brought significant changes to workplaces and the economy.'

– Justice Iain Ross AO, President

1 Overview

- President's introduction
- General Manager's overview
- About the Commission



President's introduction

I am pleased to introduce the Fair Work Commission's annual report for 2019–20.

2019–20 has been a busy and challenging year for the Commission, as it has been for the Australian community generally. The COVID-19 pandemic has affected many aspects of our lives and has brought significant changes to workplaces and the economy.

The Commission has played a role in helping workplaces respond to the economic impacts of the pandemic. The Commission has acted quickly to vary modern awards to provide flexibility for employers and employees to make workplace changes in response to COVID-19, both on application by employer and employee organisations and acting on its own motion. It has assisted employees and employers through the resolution of JobKeeper disputes and has dealt with a large number of applications to vary agreements to help workplaces respond to the challenges posed by the pandemic.

While responding to the consequences of the pandemic, the Commission has also seen an increase in its caseload with substantial increases in the number of unfair dismissal matters and workplace disputes. We have responded by reallocating resources, piloting new methods to deal with matters more efficiently, and through short-term assistance from staff of other Commonwealth agencies. Notwithstanding the increase in caseload, the Commission has maintained its focus on performance and providing an efficient and effective dispute resolution service to the Australian public.

I am pleased to report that we have met all of our key performance indicators from the portfolio budget statements (PBS). Enterprise agreements without undertakings were approved in a median of 17 days and unfair dismissal matters were conciliated in a median of 34 days. We have succeeded in reducing the age of the oldest matters in the system, both for enterprise agreements and for reserved decisions.

Like many workplaces, the Commission shut its counters in March and Members and staff began working from home. The Commission implemented a digital platform that enabled service delivery to be maintained, with applications accepted electronically and almost all conferences and hearings able to be held online. At the end of the reporting period remote hearings continued in most locations and, given its benefits both in efficiency and access to justice, it is likely this will remain a standard service option in the future.

Departing Members

Commissioner Gregory retired and Senior Deputy President Hamberger resigned in the last year. I take this opportunity to acknowledge David Gregory and Jonathan Hamberger for their contributions to the Commission and to the Australian community.



Vale Deputy President Kovacic

Sadly, Deputy President John Kovacic passed away on 31 July 2020. John was appointed as a Deputy President on 12 August 2013 and his sudden passing was deeply felt by the Members and staff of the Commission. The Australian workplace relations community will forever bear the imprint of John Kovacic, and it is better for it. I offer my deepest sympathies to Ruth, Sophie, Nick and all of John's family – both personally and on the behalf of the Commission.

President's introduction (cont.)

Thank you

I look forward to the next reporting period, when we will continue to innovate and improve our services to make sure the Commission meets the ongoing needs of business, government, the community, employer and union organisations, and individuals alike.

Finally, I thank the Commission's dedicated Members and staff across the country. The last few months have been challenging and you have all worked with passion and enthusiasm to support the Australian community during a time of change and uncertainty.



Justice Iain Ross AO

General Manager's overview



Welcome to the Fair Work Commission annual report for 2019-20.

Like so many organisations, the COVID-19 pandemic has caused an unprecedented shift in the way we work. Our primary focus has been to put the health of our people first so that we could continue to deliver our services. In March, almost all Members and staff moved to home-based working arrangements and wherever possible began holding hearings and conferences remotely.

We have been able to continue delivering all our services throughout the pandemic and these services have been relied upon by the community. The Commission has been able to respond very quickly to the needs of employers and employees by varying awards and agreements to provide workplaces with flexibility and by dealing with claims and disputes, including the new JobKeeper jurisdiction, through telephone and video proceedings.

The Commission experienced a net increase of 8 per cent in applications in 2019-20. This is largely the result of dramatic shifts in the last quarter, between March and June 2020, in which applications increased by almost 20 per cent overall. During this period the Commission's highest volume case type, unfair dismissal applications, increased

by more than 40 per cent. At the same time, fewer applications were lodged in other case types, such as applications to approve enterprise agreements.

I am pleased to report that against this backdrop we were able to maintain timely performance and meet the Portfolio Budget Statement performance measures including conducting conciliation conferences in unfair dismissal cases within a median of 34 days, and approve enterprise agreements that don't require undertakings in a median of 17 days. The Annual wage review was successfully conducted entirely remotely.

I am grateful to the Attorney-General's Department and the Federal Court of Australia who provided staff for several weeks which assisted us greatly.

The pandemic has demonstrated the Commission's capacity to adapt and respond quickly to change and reflects the very strong commitment of our workforce to serve the community.

General Manager's overview (cont.)

We will in the year ahead reflect on and review the lessons to be learned from the COVID-19 pandemic and look for opportunities to further improve our services. We will continue to improve the way we deliver information and services to the community. We remain committed to using behavioural insights and user experience design to improve our digital platforms and information resources. Again, our primary focus will remain on ensuring access to justice for all Australian employers and employees.

This annual report is significantly shorter than recent years. We have followed Department of Finance guidance earlier this year, that the content of annual reports be confined to the mandatory reporting requirements of the PGPA Rule.

Finally, to all our Members and staff at the Commission I thank you for your ongoing commitment. The resilience and professionalism you have shown through the challenges faced in 2019-20 is appreciated. Without your dedication we could not have continued to deliver our services to the Australian community through the bushfires and the COVID-19 pandemic.



Bernadette O'Neill

About the Commission

Role

The Commission is Australia's national workplace relations tribunal. It was established by the *Fair Work Act 2009* (Fair Work Act) and is responsible for administering the provisions of the Fair Work Act.

The Commission's powers and functions include:

- dealing with unfair dismissal claims
- dealing with anti-bullying claims
- dealing with general protections and unlawful termination claims
- setting the national minimum wage and minimum wages in modern awards
- making, reviewing and varying modern awards
- assisting the bargaining process for enterprise agreements
- approving, varying and terminating enterprise agreements
- making orders to stop or suspend industrial action
- dealing with disputes brought to the Commission under the dispute resolution procedures of modern awards and enterprise agreements
- determining applications for right of entry permits
- promoting cooperative and productive workplace relations and preventing disputes.

The Commission and General Manager also have responsibilities in relation to the registration, amalgamation and cancellation of registered organisations and the making and alteration of their rules under the *Fair Work (Registered Organisations) Act 2009* (Registered Organisations Act).

The Commission's purpose, as included in its corporate plan, and outcomes and programs as specified in the 2019–20 portfolio budget statements are set out in the annual performance statements.

Structure

The Commission consists of the Tribunal – the President, Vice Presidents, Deputy Presidents, Commissioners and expert panel members – supported by a General Manager and administrative staff. Figure 1 shows the Commission's structure.

About the Commission (cont.)**Figure 1: Organisational structure at 30 June 2020****Members**

The Commission is headed by the President, the Hon 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 concerning federally registered unions and employer organisations.

Members are independent statutory office holders appointed by the Governor-General on the recommendation of the Australian Government. 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 President's approval. Members of state industrial tribunals may 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.

Members come from diverse backgrounds, including the law, unions and employer associations, human resources and corporate 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 list of such activities in 2019–20, see Appendix B.

During 2019–20, Commissioner David Gregory retired and Senior Deputy President Jonathan Hamberger resigned.

The regional allocation system

The Commission uses a regional allocation model for allocating and managing cases. There are three regions, covering each state and territory in Australia. Each region is led by a Regional Coordinator and supported by a Deputy Regional Coordinator. The Regional Coordinator is responsible for the management of work undertaken by Members in that region.

The regions are:

- Region 1 – New South Wales, Queensland, Northern Territory and Australian Capital Territory
- Region 2 – South Australia and Western Australia
- Region 3 – Victoria and Tasmania.

National practice leaders have been appointed for major case types, to manage the performance of those cases across Australia, and to allocate cases in consultation with the relevant Regional Coordinator.

In most instances, cases are allocated to a Member in the region where the dispute occurs. Where a case requires specialist knowledge, the case may be allocated to a Member from outside that region.

For more information on regional allocation, visit fwc.gov.au.

General Manager

The Commission's General Manager is Bernadette O'Neill. The General Manager's statutory function is to assist the President in ensuring that the Commission performs its functions and exercises its powers under the Fair Work Act. The General Manager also exercises limited functions and powers concerning federally registered unions and employer organisations under the Registered Organisations Act.

As the accountable authority, the General Manager is responsible for the Commission's performance, financial management and compliance with requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

About the Commission (cont.)

Administrative staff

The General Manager is supported by Commission staff, who are employed under the *Public Service Act 1999* (Public Service Act). Staff are organised into three branches, with the head of each branch, together with the General Manager, forming the Executive.

Client Services Delivery handles the majority of enquiries, both by telephone and at offices in each state and territory. Staff receive and process applications, case manage individual dispute applications prior to allocation to Members, and conduct staff conciliation conferences in unfair dismissal and general protections applications involving dismissal.

Corporate Services is responsible for corporate governance and reporting, legal services, financial management and resources, internal communications, human resources and information technology.

Tribunal Services provides research, project management and administrative support to Commission Members. Tribunal Services staff support the work of Members in chambers, undertake specialist workplace relations and economic research, and assist with managing large statutory reviews, such as those concerning modern awards and the minimum wage. In addition, they perform analysis of enterprise agreements, coordinate arbitration hearings for unfair dismissal matters, provide research for individual Members, maintain a workplace relations library and provide support for the Commission's engagement activities. Staff process right of entry permit applications and support the functions of the Tribunal and General Manager under the Registered Organisations Act.

Clients and stakeholders

The Commission's work directly or indirectly affects most of Australia's employees and employers and, as a consequence, the Commission has a diverse group of clients and stakeholders.

In broad terms, the Commission has jurisdiction over a national system that covers:

- all private sector employers and employees in all states and territories except Western Australia (where private sector coverage is limited to constitutional corporations)
- the Commonwealth public sector
- all employers and employees in the territories and in Victoria (with limited exceptions in relation to some state public sector employees)
- some public sector and local government employment in other states.

The Commission's anti-bullying jurisdiction extends to a broader range of workers (in addition to employees) when they are at work in constitutionally-covered businesses.

2 Performance

- Performance snapshot
- Delivery of Commission services
- Impact of COVID-19
- JobKeeper disputes jurisdiction



Performance snapshot



34 Days

Median time from lodgment to conciliation in unfair dismissal applications



Completed annual wage review

19 June 2020



17 Days

Median time for agreement approval without undertakings

Operational performance



13,106

Hearings and conferences held



33,989

Applications lodged



10,030

Decisions and orders published

Engagement



6.06 million

Website hits



149,243

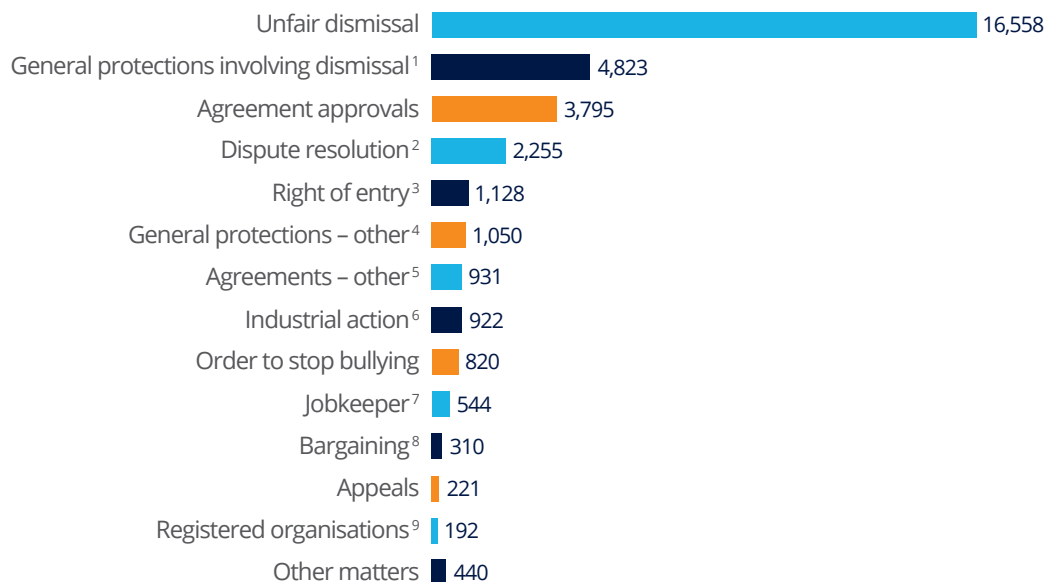
Calls to info lines



**3 minutes and
43 seconds**

Average call
wait time

Types of applications lodged



1 Applications made under s.365 of the *Fair Work Act 2009* (FWA).

2 Applications made under ss.120, 526, 533, 699 and 739 of the FWA.

3 Applications made under s.512 of the FWA.

4 Applications made under ss.372 and 773 of the FWA.

5 Applications to vary and terminate enterprise agreements and transitional individual agreements.

6 Applications made under ss.266, 418, 419, 423, 424, 425, 426, 437, 447, 448, 459 and 472 of the FWA.

7 Applications made under s.789GV of the FWA.

8 Applications made under ss.229, 236, 238, 240, 242 and 248 of the FWA.

9 Since the establishment of the Registered Organisations Commission (ROC) on 1 May 2017, most applications previously dealt with by the Commission are now dealt with by the ROC.

Delivery of Commission services

In exercising powers and functions under the Fair Work Act, the Commission assists a range of parties, including employees and employers and their representatives, federally registered unions, and employer organisations.

The Commission offers a wide range of advice and assistance over the telephone, in person and through correspondence and information materials on its website.

Applications

Tribunal processes commence once a formal application has been lodged with the Commission.

In 2019-20, a total of 33,989 applications were lodged with the Commission, an increase of approximately 8 per cent compared with 31,415 in 2018-19 and 31,554 in 2017-18. This can be largely attributed to a very significant increase in unfair dismissal and general protection applications in the last quarter of 2019-20 together with the commencement of a new function of dealing with certain JobKeeper disputes. A full list of lodgments by matter type is available in Appendix C.

In 2019-20, unfair dismissal applications were the most common, accounting for 49 per cent of total applications. In a change from previous years, applications for general protections involving dismissal were the second most common, making up 14 per cent of total applications. Applications for approval of an enterprise agreement were down on previous years, making up 11 per cent of total applications.

Hearings and conferences

In 2019-20, the Commission held 13,106 hearings and conferences around Australia, an increase of 12 per cent compared with a total of 11,702 in 2018-19.

Hearings and conferences are held in each capital city and regional locations. They are held in person, by telephone or by videoconference. Not all matters involve a hearing or conference – some are decided by a Member on the papers.

Members hold hearings and conferences by telephone or videoconference wherever suitable, to reduce parties' travel time and costs and to ensure efficient use of Commission resources. In 2019-20, 48 per cent of all hearings and conferences conducted by Members were held by telephone or videoconference, compared with 30 per cent in 2018-19. Twenty-two per cent of matters, predominantly applications for approval of enterprise agreements, were decided by a Member on the papers, without the need for a hearing or conference.

In addition, experienced staff conducted 12,963 conciliation conferences during 2019–20, compared with 10,408 in 2018–19. Conciliators hold conferences in relation to applications concerning unfair dismissal, general protections involving dismissal, and anti-bullying. The overwhelming majority of conciliations are conducted by telephone. See Appendix C for detailed information on hearings and conferences.

Decisions and orders

In 2019–20, the Commission issued a total of 10,030 decisions and orders, a decrease of 9 per cent from 2018–19, as set out in Appendix C.

Timeliness benchmarks

The Commission's portfolio budget statements set out performance standards for timeliness of staff conciliation conferences in unfair dismissal applications, approval of enterprise agreements, and completion of the annual wage review.

In addition, the Commission has set performance benchmarks concerning delivery of reserved decisions by a single Member, dealing with applications for the approval of enterprise agreements, the hearing of appeals, and handing down reserved decisions in appeal matters.

The benchmarks set a standard to which the Commission aspires, as well as quantifiable measures of performance that provide transparency and accountability.

Figures 2 to 4 compare the Tribunal's performance against benchmarks in 2019–20. There remains room for improvement and timeliness performance will be a significant focus in the year ahead.

Delivery of Commission services (cont.)

Figure 2: Timeliness benchmarks – reserved decisions

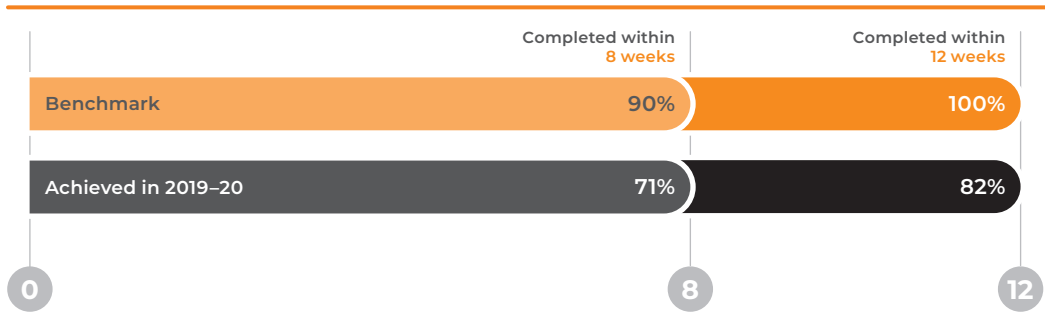


Figure 3: Timeliness benchmarks – appeals

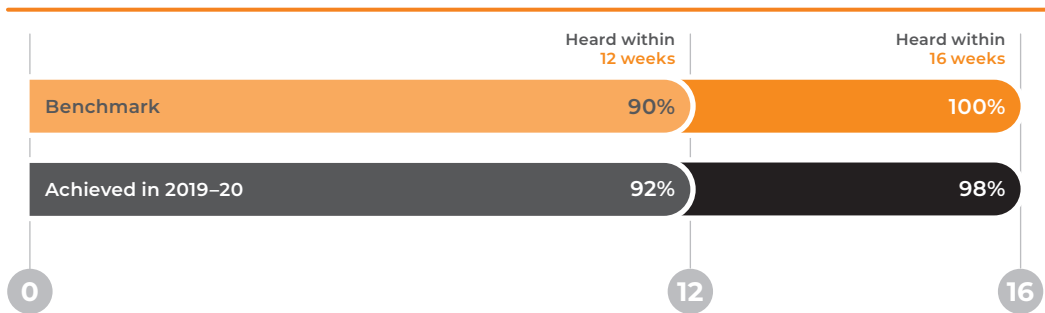
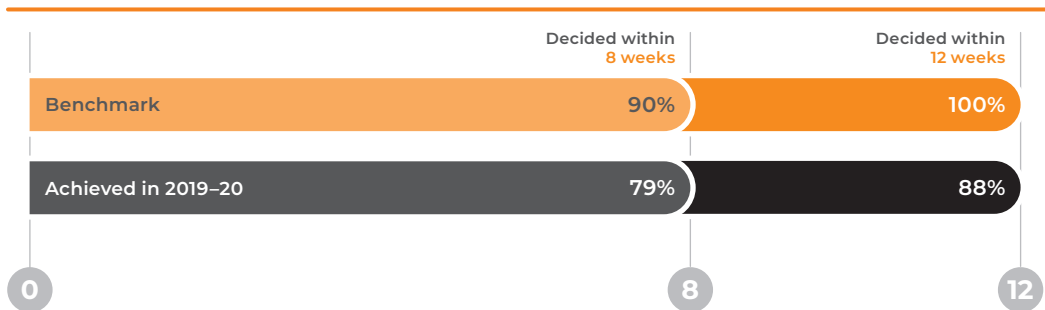


Figure 4: Timeliness benchmarks – reserved decisions in appeals



Impact of COVID-19

The COVID-19 pandemic has caused significant disruptions to Australian workplaces. As Australia's national workplace relations tribunal, the Commission has played a role in helping workplaces respond to the economic impacts of the pandemic, and has been able to maintain continuity of its services at all times.

Service continuity

The Commission has been able to continue to deliver its services throughout the pandemic, largely by holding hearings and conferences remotely and reallocating resources to manage increases in applications.

In March, most of the Commission's workforce moved to remote working arrangements in recognition that service continuity relies on our workforce being healthy and available. This represented a significant shift in the Commission's operations.

The Commission has operated digitally throughout the pandemic. Most conciliations and conferences in unfair dismissal and general protections involving dismissal cases were already held by telephone. When restrictions relating to COVID-19 were introduced, the Commission quickly moved to ensure all conferences and hearings could be held remotely.

In the last quarter of 2019-20, the Commission's total case load increased 19 per cent compared with the same period in 2019. This net increase in lodgements between March and June 2020 was not uniform across all case types. There were significant increases of lodgements in some case types and significant decreases in others. Unfair dismissal applications increased by 43 per cent increase between March and June 2020, with 1520 more applications received compared to the same period in 2018-19. The number of applications to vary enterprise agreements, to deal with stand-down disputes, and general protections claims involving dismissal also increased significantly. Conversely, there were significantly fewer applications to approve enterprise agreements, for right of entry permits, and industrial action when compared to the last quarter of 2018-19.

The Commission implemented a number of initiatives to deal with the increased number of unfair dismissal applications. This included the reallocation of resources and utilising a surge workforce consisting of staff from other agencies. These measures were successful, with conciliations finalised in a median of 34 days from lodgment of an unfair dismissal application, meeting the Portfolio Budget Statement target (discussed further in the Annual Performance Statements).

Impact of COVID-19 (cont.)

Award variations in response to COVID-19

The Commission acted quickly to vary modern awards to provide flexibility for employers and employees to make workplace changes in response to COVID-19, both upon application by employer and employee organisations and on its own motion.

The Commission generally heard urgent award variation applications within 48 hours of lodgment, with decisions issued shortly afterward. This included the Hospitality Award, the Clerks – Private Sector Award, Educational Services (Schools) General Staff Award and the Restaurants Award.

On its own motion, a Full Bench of the Commission varied 99 modern awards on 8 April 2020 covering millions of Australian employees and employers. The decision inserted a new Schedule providing up to 2 weeks' unpaid pandemic leave and a capacity to take annual leave at half pay for employers and employees covered by these awards.

The Schedule expired on 30 June 2020. The Commission issued a statement on 23 June inviting parties wishing to extend the operation of the schedule to apply to the Commission. The Schedule was subsequently extended until 30 September 2020 in all but one of the awards.

Safe environment

The Commission implemented measures consistent with Government advice to ensure a safe environment for our clients, staff and Members. In addition to supporting remote work and remote hearings, the Commission closed its counters and stopped accepting hard copy applications to limit physical interactions and mitigate the risks of contracting COVID-19.

To ensure access to justice, the Commission recognised that there would be circumstances where a face-to-face hearing or conference was required. In each Commission office, hearing rooms have been adapted to align with social distancing and hygiene protocols. Similarly, internal office spaces have been adapted to provide a safe environment for Members and staff working in the office.

The Commission has developed protocols that align to the latest Government guidance. These protocols ensure the Commission is well positioned to respond to any emerging situation. The Commission's clients were kept informed of any changes to operations through a dedicated COVID-19 webpage, regular updates from the President on the Commission's website and subscriber alerts.

JobKeeper disputes jurisdiction

The Fair Work Act was amended on 9 April 2020 to insert temporary new JobKeeper provisions at Part 6-4C. When the changes commenced, Part 6-4C applied until 28 September 2020. The temporary changes give the Commission power to deal with certain disputes. More information about JobKeeper disputes is available at fwc.gov.au.

Within hours of the legislation passing, the Commission:

- developed an application form
- developed case management processes and information resources about the jurisdiction and the Commission's role, and
- began receiving enquiries and applications.

Deputy President Gostencnik was appointed as the National Practice Leader for JobKeeper applications and a dedicated case management team was established. The Commission developed the JobKeeper Disputes Benchbook to provide employees, employers and representatives with detailed information about the Commission's role in dealing with JobKeeper disputes. The Benchbook is available on the Commission's website. The website received 17,488 page views about JobKeeper disputes and 2,109 page views or downloads of the JobKeeper benchbook.

Applications

In 2019–20, the Commission received 544 JobKeeper dispute applications and finalised 518. The majority of applications lodged (363) did not appear to be disputes about the operation of Part 6-4 and were either administratively dismissed or withdrawn. Of the applications about the operation of Part 6-4C, the most common applications related to stand down (72), days and times of work (68) and taking paid annual leave (61). Detailed information on applications received is available in Appendix C

Finalisation of cases

The majority of JobKeeper dispute applications (386) were withdrawn. The most common reasons for withdrawal were that the applications did not concern a dispute about the operation of Part 6-4C, because parties reached an agreement without the assistance of the Commission or, after discussions with Commission staff, the applicant withdrew.

Of all finalised matters, 18 per cent (92) were resolved at conciliation or mediation with a Commission Member. A further 6.4 per cent (33) were dismissed by a Member, primarily because they were not about the operation of Part 6-4C. A small number of JobKeeper dispute matters were finalised by decision, including being resolved by arbitration, by substituting a JobKeeper direction or by being dealt with in conjunction with another matter. Detailed information on the finalisation of JobKeeper applications is available in Appendix C.

JobKeeper disputes jurisdiction (cont.)**Timeliness**

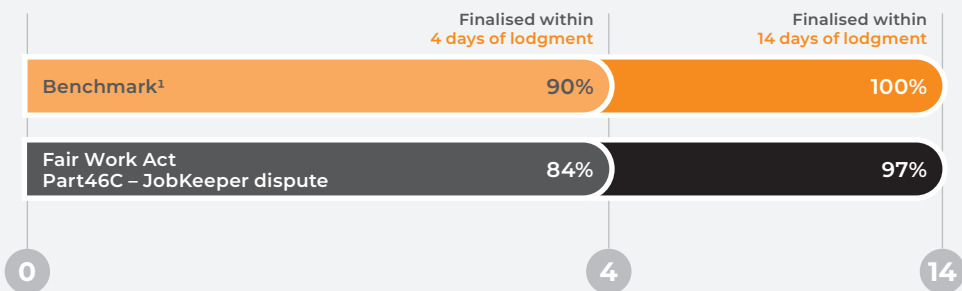
The Commission is committed to dealing with JobKeeper disputes as quickly as possible. Consistent with the high standard in benchmarks for other applications, on 5 May 2020 the President set ambitious timeliness benchmarks for dealing with JobKeeper disputes.

Figure 5: JobKeeper applications – timeliness, reserved decision issued



1 Benchmark set by the President.

Figure 6: JobKeeper applications – Lodgment to finalisation (all cases)



1 Benchmark set by the President.

3 Annual performance statements

- Introductory statement
- Entity purpose
- Performance framework



Introductory statement

I, Bernadette O'Neill, as the accountable authority of the Fair Work Commission, present the 2019–20 annual performance statements of the Fair Work Commission, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately present the performance of the entity in the reporting period and comply with subsection 39(2) of the PGPA Act.



Bernadette O'Neill
General Manager

23 September 2020

Entity purpose

As Australia's national workplace relations tribunal, the primary purpose of the Fair Work Commission (Commission) is to exercise its functions and powers in accordance with the Fair Work Act, including:

- promoting cooperative and productive workplace relations
- resolving unfair dismissal claims
- resolving workplace bullying claims
- dealing with general protections claims
- setting the national minimum wage
- creating, reviewing and varying modern awards
- approving enterprise agreements
- assisting the bargaining process for enterprise agreements
- assisting with the prevention and resolution of industrial disputes
- determining applications for right of entry permits.

Performance framework

The Commission’s performance reporting framework is built around three core elements: portfolio budget statements, the corporate plan and annual performance statements.

The goals and performance measures set out in the framework in 2019–20 are shown in Table 1.

Table 1: Performance framework

Corporate plan	<p>Purpose</p> <p>As Australia’s national workplace relations tribunal, the primary purpose of the Fair Work Commission (Commission) is to exercise its functions and powers in accordance with the <i>Fair Work Act 2009</i>. (Source: 2019–20 Corporate Plan, p.4)</p>
Portfolio budget statements	<p>2017–18 Budget Outcomes and Programs</p> <p><i>Outcome 1:</i></p> <p>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. (Source: 2019–20 PBS, p.125)</p> <p><i>Program 1.1:</i></p> <p>Dispute resolution, minimum wage setting, orders and approval of agreements.</p> <p>The Fair Work Commission exercises powers under the <i>Fair Work Act 2009</i> in accordance with the objects of the Act and in a manner that is fair and just, is quick, informal and avoids unnecessary technicalities. (Source: 2019–20 PBS, p.126)</p>
Annual performance statements	<p>Intended results:</p> <ul style="list-style-type: none"> ● The community understands the role of the Commission and recognises it as an independent and expert workplace relations tribunal. (Source: 2019–20 Corporate Plan, p.11) ● The Commission is accessible to all Australians, recognising the community’s diverse needs and expectations. (Source: 2019–20 Corporate Plan, p.12) ● The Commission is efficient, accountable and transparent. (Source: 2019–20 Corporate Plan, p.13) ● The Commission is a highly skilled and agile organisation in which its people, processes, systems and technology are aligned to deliver high-quality, efficient and effective services to the community. (Source: 2019–20 Corporate Plan, p.13)

Performance framework (cont.)

Results

The following results show the Commission's achievements in relation to the criteria and key performance indicators set out in the Fair Work Commission Corporate Plan 2019–20 (corporate plan) and the *2019–20 Portfolio Budget Statements, Budget Related Paper No. 1.13 Jobs and Innovation Portfolio* (PBS).

Activity One: Powers and functions are exercised in accordance with the Fair Work Act 2009

Performance measure	The community understands the role of the Commission and recognises it as an independent and expert workplace relations tribunal.
Target	Survey 80 per cent of parties in individual matters following a staff conference or conciliation.
Source	2019–20 Corporate Plan p.11.
Performance achieved	Achieved: 100 per cent of parties to individual matters were surveyed following a staff conference or conciliation.
Analysis	<p>The Commission surveyed 100 per cent of parties to individual matters following a staff conference or conciliation. This exceeded the corporate plan performance target of 80 per cent. This is consistent with previous reporting periods.</p> <p>The Commission achieved this target by incorporating post-conciliation surveys into standard procedure and ensuring staff are trained in and encouraged to follow this procedure.</p>
Target	At least 80 per cent of survey respondents in individual matters following a staff conference or conciliation are satisfied that their conference conciliator was even-handed.
Source	2019–20 Corporate Plan p.11.
Performance achieved	Achieved: 83 per cent of survey respondents were satisfied that their conference conciliator was even-handed.

<p>Analysis</p>	<p>The Commission exceeded the 2019–20 Corporate Plan performance target of 80 per cent, with 83 per cent of survey respondents satisfied that their conference conciliator was even-handed. This result was consistent with previous reporting periods and is representative of the Commission’s focus on ensuring it is fair, transparent and accountable.</p> <p>The Commission’s staff conciliators are well trained in delivering a consistent, fair and equitable service to the Australian community. This high standard of service is maintained through training, adherence to process and procedure and setting and measuring performance against KPIs.</p>
<p>Target</p>	<p>Report on the activities that involved consultation with users about improving service delivery.</p>
<p>Source</p>	<p>2019–20 Corporate Plan p.11.</p>
<p>Performance achieved</p>	<p>Achieved: The Commission reported quarterly.</p>
<p>Analysis</p>	<p>The Commission met the corporate plan target by preparing a quarterly report on activities that involved consultation with users about improving service delivery. The ‘User Consultation’ report is a whole of organisation initiative to ensure our continued focus on user-first service delivery.</p>

Performance framework (cont.)

Performance measure	The Commission is accessible to all Australians, recognising the community's diverse needs and expectations.
Target	At least 80 per cent of survey respondents in individual matters following a staff conference or conciliation found that information, including on the Commission's website, was easy to understand.
Source	2019–20 Corporate Plan p.12.
Performance achieved	Achieved: 82 per cent of survey respondents found information, including on the Commission's website, easy to understand.
Analysis	<p>The Commission exceeded the 2019-20 Corporate Plan performance target of 80 per cent, with 82 per cent of survey respondents finding information, including on the Commission's website, easy to understand. This represents a 9 per cent decrease from the previous period.</p> <p>In 2019-20, the Commission applied plain language principles to improve content, including correspondence templates and high-use website information. This is consistent with the Commission's continuous improvement approach to information delivery.</p> <p>The Commission recognises the needs to continuously review and improve its information resources in order to meet the increasing needs and expectations of users. The Commission will draw on user-experience research and insights to continue to improve information delivery in 2020–21, including updating the website, to ensure it better meets user needs. The focus will include having content expressed in plain language to ensure our users have the information they need, in the form they want it, when they need it.</p>

Target	At least 80 per cent of survey respondents in individual matters following a staff conference or conciliation are satisfied with the relevance of information provided by the Commission.
Source	2019–20 Corporate Plan p.12.
Performance achieved	Not achieved: 79 per cent of survey respondents were satisfied with the relevance of information provided by the Commission.
Analysis	<p>The Commission did not meet the 2019–20 Corporate Plan performance target of 80 per cent, with 79 per cent of survey respondents satisfied with the relevance of information provided by the Commission. This is 1 per cent below the target and represents a 12 per cent decrease from 2018–19.</p> <p>As discussed above, the Commission takes a continuous improvement approach to information delivery, and will continue to do so in 2020–21. In order to improve on this year's result, we will be utilising user experience principles to review our information and information delivery platforms.</p> <p>The Commission is confident that the work planned will improve the quality of our information and access to our services.</p>
Target	At least 75 per cent of survey respondents in individual matters following a staff conference or conciliation are satisfied with the information provided by the Commission about its processes.
Source	2019–20 Corporate Plan p.12.
Performance achieved	Achieved: 75 per cent of survey respondents were satisfied with the information provided by the Commission about its processes.
Analysis	<p>The Commission met the 2019–20 Corporate Plan performance target, with 75 per cent of survey respondents satisfied with the information provided by the Commission about its processes. This is consistent with results in previous years, although does represent a 4 per cent decrease in satisfaction from 2018–19.</p> <p>The Commission will be focusing on improving information creation and delivery in 2020–21 to ensure it continues to meet this performance target, as discussed above.</p>

Performance framework (cont.)

Target	Monitor and report on the use of technology that has been implemented in order to improve access to, or delivery of, Commission services.
Source	2019–20 Corporate Plan p.12.
Performance achieved	Achieved: The internal report was delivered in Quarter 4.
Analysis	The Commission met the corporate plan target to monitor and report on the use of technology that has been implemented in order to improve access to, or delivery of, Commission services. This is an internal report used to improve Commission services.



Performance measure	The Commission is efficient, accountable and transparent.
Target	Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications with a target of 34 days.
Source	2019–20 PBS, p.126 and 2019–20 Corporate Plan p.13.
Performance achieved	Achieved: Conciliation conferences were finalised in a median of 34 days from the lodgment of an unfair dismissal application.
Analysis	<p>The Commission met the 2019–20 PBS and corporate plan performance target, with a median 34 days elapsing from lodging an application to finalising the conciliation in unfair dismissal cases. This two-day increase from the 2018–19 reporting period can be attributed to the significant increase in applications lodged during the COVID-19 pandemic.</p> <p>In 2019–20, 16,558 unfair dismissal applications were lodged, an increase of 2,630 (19 per cent) from 2018–19. Similarly, Commission staff conducted 12,965 conferences, an increase 2,557 (25 per cent) from 2018–19.</p> <p>The Commission recorded an unprecedented increase in applications through March, April and May. This period coincided with a major shift in Commission operations, with the majority of staff moving to remote work.</p> <p>The increase in cases and conciliation conferences, together with the Commission’s response to the COVID-19 pandemic were key to the increase in time elapsed. The COVID-19 pandemic is ongoing, and the implications cannot be predicted. It is likely that the higher level of cases lodged will continue in 2020–21 given the economic context. The Commission will monitor and respond as required and strive to maintain performance in 2020–21.</p>

Performance framework (cont.)

Target	Annual wage review to be completed to enable operative date of 1 July with a target of publication no later than 30 June.
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Source	2019–20 PBS, p.126 and 2019–20 Corporate Plan p.13.
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Performance achieved	Achieved: The annual wage review was published on 19 June 2020.
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Analysis	The Commission exceeded the 2019–20 PBS and corporate plan performance target, with the annual wage review completed on 19 June 2020. This is 11 days earlier than the target date of 30 June.
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The review was undertaken remotely during the COVID-19 pandemic. The Expert Panel recognised that the measures put in place to contain the spread of COVID-19 led to significant shifts in the way work and society is conducted, with substantial economic consequences. As a result, the panel varied the review timetable to allow parties to provide submissions regarding the impacts of the pandemic as they unfolded and to comment on the most recent available data.

The varied timetable led to the decision being issued 11 days later than in 2018–19.

Further information is available in the Expert Panel's Annual wage review decision, available at fwc.gov.au.

Target	Improve or maintain the agreement approval time for agreements approved without undertakings with a target of 32 days.
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Source	2019–20 PBS, p.126 and 2019–20 Corporate Plan p.13.
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Performance achieved	Achieved: Agreements without undertakings were approved in a median of 17 days.
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Analysis	The Commission exceeded the 2019–20 PBS and corporate plan performance target, with agreements without undertakings being approved in a median of 17 days from lodgment. This is 15 days earlier than the performance target and 13 days earlier than the 2018–19 result.
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This improved performance can be attributed to the Commission's continued focus on improving timeliness in agreement approvals. This was discussed in detail in the 2018–19 Annual Report. The Commission is confident of maintaining this performance and will continue to explore opportunities for improvement in 2020–21.

Activity Two: Organisational capability is enhanced

Performance measure	The Commission is a highly skilled and agile organisation in which its people, processes, systems and technology are aligned to deliver high-quality, efficient and effective services to the community.
Target	Maintain or improve the number of professional development plans that specify individual and/or organisational professional development goals, with a target of 100 per cent.
Source	2019–20 Corporate Plan p.14.
Performance achieved	Achieved: 100 per cent of performance plans specified individual and/or organisational professional development goals.
Analysis	<p>The Commission met the 2019–20 Corporate Plan performance target, with 100 per cent of professional development plans specifying individual and/or organisational professional development goals. This is consistent with previous years.</p> <p>In 2019–20, this was achieved through Commission employees adhering to a mandated process for all Performance Development Plans (PDP). As part of the process, staff and managers must develop a PDP from a standard template. This template requires professional development goals to be set for the reporting period. This process ensures the performance target is met and builds a culture of ongoing learning and development across all staff.</p>
Target	At least 30 per cent of staff are offered an opportunity to experience work outside their usual role, participate in a cross-organisational project or be involved in a service improvement project.
Source	2019–20 Corporate Plan p.14.
Performance achieved	Achieved: 30 per cent of staff were offered an opportunity to experience work outside their usual role.

Performance framework (cont.)

Analysis

The Commission met the 2019–20 Corporate Plan performance target, with 30 per cent of staff offered an opportunity to experience work outside their usual role. This is consistent with previous years.

In 2019–20, there were several initiatives that contributed to the Commission exceeding the performance target, including:

- cross-organisational projects
- inclusion of mobility targets in personal development plans
- repositioning workforce resources to manage increased application numbers through March, April and May
- establishing a new JobKeeper case management team.

As a small organisation, it is crucial that the Commission is agile. This enables workforce resources to be moved to meet emerging priorities and ensure continued performance.

In 2019–20, this was crucial in the Commission's continued delivery of services, while managing an unprecedented increase in applications. The Commission was able to move staff with relevant skills and experience into priority areas to ensure performance was maintained.

This capability proved crucial again, with the passing of the JobKeeper legislation, which conferred a new jurisdiction on the Commission. In a short period of time, the Commission was able to mobilise a new JobKeeper team from existing staff, introduce KPIs to measure performance, and create a case management workflow. This ensured there was no delay in the processing of applications.

The Commission's response was only possible through promoting workforce mobility and the continuous development of workforce capabilities. The initiatives outlined above are an example of the importance of an agile workforce. These initiatives contributed significantly to the Commission meeting the performance target and continuing to deliver high-quality, efficient and effective services to the community through the COVID-19 pandemic.

4 Management and accountability

- Corporate governance
- External scrutiny
- Complaints and feedback
- Management of human resources
- Financial management
- Mandatory information



Corporate governance

The Commission's corporate governance framework promotes the principles of good governance and encourages all staff to be accountable for their actions and to focus on their performance. The framework upholds the Australian Public Service (APS) Values and Code of Conduct.

The framework supports the General Manager in meeting her responsibilities for the Commission's performance, financial management and compliance with the PGPA Act and the Public Service Act.

Governance bodies

The Executive is the key decision-making body with strategic oversight of the Commission's administration and resourcing. It comprises the General Manager and three Executive Directors and meets fortnightly. More information about the branches and Executive Directors is in the Overview. The Executive is supported by the Audit Committee and Major Projects Control Committee as set out in Table 2.

Audit Committee

The Audit Committee provides independent assurance to the General Manager on the Commission's financial and performance reporting, risk oversight and management, systems of internal control and internal audit program.

The General Manager appoints Audit Committee members. No members of the Committee are employed by the Fair Work Commission. Representatives from the Australian National Audit Office are invited to attend each meeting as observers. The Audit Committee meets quarterly.

The Audit Committee charter is located at fwc.gov.au.

Table 2: Audit Committee members

Name	Qualifications, knowledge, skills or experience	Attendance at meetings	Remuneration (incl GST)
Mark Scully (Chair)	The skills and knowledge required of an Audit and Risk Committee for a regulatory agency are adequately covered by its current membership. This includes skills, knowledge and experience in:	4	\$0
Jill Jepson		3	\$0
Adrian Walkden (commenced 3 September 2019)	<ul style="list-style-type: none"> ● risk management ● internal controls 	4	\$12,425
Marion van Rooden (commenced 5 December 2019)	<ul style="list-style-type: none"> ● industry/regulatory ● government/public policy ● information technology ● financial management ● governance ● business management ● accounting 	3	\$0

Major Projects Control Committee

The Major Projects Control Committee is responsible for high-level strategic governance of major organisational and capital expenditure projects. The committee comprises the Executive and senior managers and meets monthly.

Fraud management

There were no known instances of fraud committed against the Commission in the 2019–20 financial year.

The General Manager certifies that the Fair Work Commission:

- Fraud control plans and fraud risk assessments have been prepared that comply with the Commonwealth Fraud Control Guidelines appropriate fraud prevention, detection, investigation and reporting procedures and practices that comply with the Commonwealth Fraud Control Guidelines are in place, and
- the entity has taken all reasonable measures to appropriately deal with fraud relating to the entity.

Corporate governance (cont.)**Risk management**

In 2019–20, the Commission continued to embed a contemporary risk management culture and practices across the organisation, in line with the risk management framework introduced by the PGPA Act.

As part of its risk management strategy, the Commission has developed an annual internal audit program. The program, developed in consultation with the Executive and endorsed by the Audit Committee, reflects the Commission's purpose, and identifies strategic and operational risks and relevant regulatory requirements. Audits can cover any of the Commission's financial and non-financial activities and performance, policies and procedures. Internal audit reports are provided to the General Manager and Executive and discussed at meetings of the Audit Committee.

Compliance with the finance law

The Commission made no reports of any significant issues that relate to non-compliance with the finance law as it relates to the Commission in 2019–20. Finance law incorporates the PGPA Act, including rules and instruments created under the PGPA Act, and Appropriation Acts.

Ethical standards

The Commission's ethical standards are governed by a legislative framework common to non-corporate Commonwealth entities, including the PGPA Act, Public Service Act, Australian Public Service Commissioner's Directions 2016 and Public Service Regulations 1999.

External scrutiny

The Auditor-General issued an unqualified independent audit report on the Commission's 2019-20 financial statements. There were no other reports issued by the Auditor-General relating to the Commission in 2019-20.

There were no judicial decisions, decisions of administrative tribunals or decisions of the Australian Information Commissioner in 2019-20 that had, or may have had, a significant effect on the operation of the Commission. There were no reports on the operation of the Commission by a parliamentary committee or by the Commonwealth Ombudsman in 2019-20 and no agency capability reviews were released during the period.

Complaints and feedback

Complaints about Commission staff

The Commission's service charter outlines the nature and level of service the public can expect from Commission staff. You can read the service charter at fwc.gov.au.

The website provides information on how to make a complaint or provide feedback on the Commission's administrative activity. The Commission uses feedback and complaints to identify service problems and potential improvements, while recognising that each year some complaints involve issues that are outside the jurisdiction or authority of the Commission's administration.

The Commission aims to respond to written complaints within 20 working days. In 2019-20, the Commission responded within an average of 10 working days, an improvement on an average of 12 days in 2018-19.

Complaints about Members

The Commission has a separate process for dealing with complaints about Members, in accordance with the Fair Work Act. You can find information about the complaint handling process at fwc.gov.au.

When conducting hearings and conferences, Member responsibilities include listening to evidence, understanding relevant information and ensuring that proceedings are fair and that parties are treated with courtesy and respect. You can find the Practice Note: Fair Hearings at fwc.gov.au.

Complaints and feedback (cont.)

Reporting about complaints

The President deals with complaints about Members, including by discussing it with the person concerned. Complaints concerning Member conduct are reported according to whether they were substantiated, which is ultimately a matter for the President.

In previous years, the Commission has not reported on Member complaints related to process or issues that can be dealt with by lodging an appeal or seeking judicial review. The Commission has reviewed its complaints framework during the reporting period and, in order to create a consistent framework for both Member and staff complaints, is reporting on all categories of Member complaints, as set out in Table 3. 'Staff conduct' includes complaints about conciliator conduct that were previously reported under 'staff conciliation'.

A substantial number of complaints involved issues that were outside the Commission's jurisdiction or authority or which are appropriately dealt with through other processes such as lodging an appeal, applying for judicial review or seeking a remedy through existing processes such as making a recusal application. Complaints about the content of modern awards or enterprise agreements usually cannot be resolved through the complaints process and require a formal application to be lodged to amend or vary these instruments.

In 2019-20, a total of 141 complaints were received, equating to 0.4 per cent of the 33,989 applications lodged in the reporting period, as set out in Table 3.

Table 3: Complaints

Subject	2019–20
Total Member complaints¹	65
Member conduct in relation to a conduct or hearing – not substantiated ²	15
Member conduct in relation to a conduct or hearing – partially substantiated or acknowledged ²	2
Member conduct – referral to external complaint handler	0
Member conduct – referral to the Minister	0
Member conduct – referral to another agency	0
Process ³	41
Outcome ⁴	41
Other ⁶	14
Total of all other complaints¹	76
Staff conduct	28
Process ³	45
Administration ⁵	3
Other ⁶	0

- 1 A complaint can concern more than one subject. Accordingly, the results are not cumulative. As the Commission has changed its complaint classifications and reporting methodology, information from previous years is not available.
- 2 Complaints regarding conduct include whether Members met their responsibilities under the Practice Note: Fair Hearings and Member Code of Conduct. This category also covers complaints about the conduct of staff conciliations, including whether staff conciliators listened to both parties and understood the issues, and whether staff acted in accordance with the service charter and APS Code of Conduct.
- 3 'Process' relates to dissatisfaction with, or misunderstanding of, the Commission's processes. This includes complaints about timeliness, scheduling and adjournment of conferences and hearings and conflict of interest or bias of a Member. Complaints in this category can concern a fundamental misunderstanding of the Commission's role and authority. 'Process' includes individual categories previously reported for 'pay and entitlements', 'complaint relating to modern awards or enterprise agreements' and 'adjournment refusal request'.
- 4 Complaints about the outcome of a matter relate to decisions of the Commission. These matters generally cannot be dealt with through the complaints process and require the complainant to lodge a formal appeal of the decision or to seek judicial review.
- 5 'Administration' includes administrative errors, information (including availability and accessibility of procedural information) and errors with the website and online lodgment service.
- 6 'Other' includes complaints where there is insufficient information to permit assessment, the complaint is trivial, frivolous, vexatious or not in good faith and where a complainant makes a series of complaints about one or more applications and/or Members and/or staff.

Management of human resources

Training and development

The Commission invests in a number of initiatives to give our employees the skills and experience to deliver Commission services.

Each year, areas for training and development are identified that will support the Commission in meeting its legislative requirements and to enhance their ability to deliver services. In 2019–20, mandatory training for all staff included a Beyond Blue course called Managing Mental Health Risks at Work and cyber security e-learning modules.

Learning opportunities for staff included e-learning modules, support for formal study, short courses, attendance at conferences, and coaching and mentoring.

Recruitment and separations

During 2019–20, 56 new employees (ongoing or non-ongoing) commenced, and 64 employees (ongoing or non-ongoing) departed the Commission.

Conditions of employment

Collective and individual agreements

All employees, except Senior Executive Service (SES) employees, are covered by the Fair Work Commission Enterprise Agreement 2017–2020. The agreement commenced on 4 October 2017 and has a nominal expiry date of 4 October 2020.

At 30 June 2020, the Commission had three SES Band 1 employees. Employment conditions for SES employees are set out in individual determinations made by the General Manager under s.24(1) of the Public Service Act. The determinations are comprehensive documents covering each SES employee's terms and conditions, with many conditions aligned with those in the enterprise agreement.

Flexible work

The Commission provides flexible working arrangements to help employees balance work and other responsibilities, including:

- Flextime – The majority of employees have access to flextime arrangements, allowing them to 'bank' time worked in excess of standard full-time, or agreed part-time, hours (banked time can subsequently be taken as leave).
- Part-time work – At 30 June 2020, 42 employees worked part-time.
- Home-based work – At 30 June 2020, 10 ongoing employees had a home-based work agreement to combine ongoing work commitments with caring responsibilities and/or personal circumstances – in March 2020, due to the COVID-19 pandemic, most staff commenced working from home.
- Purchased leave – In 2019–20, 11 employees purchased additional leave.
- Job sharing – During 2019–20, six employees participated in job sharing arrangements.

Non-salary benefits

Non-salary benefits are available to employees through the agreement, individual arrangements and other initiatives. They include:

- time off instead of payment for overtime worked for the majority of employees
- where available through the local metropolitan public transport authority, access to annual train, tram and bus tickets – the Commission pays the up-front cost of a ticket and the employee repays the cost over 12-months
- healthy lifestyle initiatives such as partial reimbursement of the cost of spectacles, subsidised yoga and pilates classes, annual influenza vaccinations and an employee assistance program.

Statistics

At 30 June 2020, the Commission employed 301 staff (238 ongoing and 63 non-ongoing). This does not include Commission Members and is a decrease of eight from the total headcount of ongoing and non-ongoing staff at 30 June 2019. The Commission did not have any casual employees at 30 June 2020. No Commission employees identified as indeterminate sex at 30 June 2020. The Commission does not have staff overseas.

Tables C6 to C19 in Appendix C provide detailed staffing statistics for the past two reporting periods.

Remuneration

The General Manager determines salaries for SES employees and other highly paid staff. Employment conditions for SES employees are set out in individual determinations made under s.24(1) of the Public Service Act. Tables C20 and C21 in Appendix C provide information about remuneration for key management personnel, senior executives and other highly paid staff.

Other highly paid staff are remunerated under the enterprise agreement with an individual flexibility arrangement, which provides additional remuneration benefits. The General Manager determines the level of additional remuneration based on the quality of professional service provided by the employee and external market conditions.

Commission employees do not receive incentive payments or bonuses.

The General Manager is an independent statutory office holder whose remuneration arrangements are determined by the Remuneration Tribunal.

Table C23 in Appendix C shows the salary ranges for APS employees. Except for SES Band 1 employees, the specified ranges are taken from the enterprise agreement.

Performance pay

The Commission does not provide performance pay.

Management of human resources (cont.)**Work health and safety**

Information about work health and safety at the Commission is provided in Appendix F.



Financial management

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

The Commission's financial results for 2019–20 are outlined in Appendix E Annual Financial Statements. The total comprehensive loss before an asset revaluation surplus was \$11.456 million. The loss includes expenses of \$10.683 million which are not funded in line with the Australian Government's net cash appropriation arrangements.

During the financial year, the Commission engaged an independent valuer to complete a valuation of all non-financial assets which resulted in a revaluation surplus of \$1.328m.

In 2019–20, we reported no significant non-compliance with finance law.

Asset management

The Commission's main asset types are leasehold improvements, computer equipment and computer software. As asset management is not considered to be a significant aspect of the Commission's strategic business, the effectiveness of the Commission's asset management processes is not reported.

Purchasing

The Commission's approach to procuring goods and services, including consultancies, is consistent with, and reflects the principles of, the Commonwealth Procurement Rules. The rules are applied to activities through the accountable authority instructions, supporting operational guidelines and the Commission's procurement framework.

Consultants

The Commission engages external consultants 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 and relevant internal policies. The methods of selection used for consultancies include open tender, select tender, direct sourcing and panel arrangements (initially selected through either an open tender or select tender process).

During 2019–20, ten new consultancy contracts were entered involving total actual expenditure of \$220,719 (including GST). In addition, two ongoing consultancy contracts were active during the period, involving total actual expenditure of \$82,854 (including GST).

Financial management (cont.)

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 tenders.gov.au.

Australian National Audit Office access clauses

No contracts of \$100,000 or more (including GST) were let during 2019–20 that did not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

No contracts in excess of \$10,000 (including GST) or standing offers were exempted by the General Manager from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982* (FOI Act).

Procurement initiatives to support small business

The Commission supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website at finance.gov.au.

The Commission's procurement practices support SMEs, including by the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000. The Commission communicates using clear, simple language that is presented in an accessible format throughout the procurement process.

The Commonwealth's Indigenous Procurement Policy, which commenced on 1 July 2015, is reflected in the Commission's procurement policy and practices.

Mandatory information

Advertising and market research

During 2019–20, the Commission did not conduct any advertising campaigns.

Grants

The Commission did not award any grants during 2019–20.

Disability reporting mechanism

Since 1994, non-corporate Commonwealth entities 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 reports and the APS *statistical bulletin*. These reports are available at apsc.gov.au. From 2010–11, entities 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 progress reports was published in 2014 and can be found at dss.gov.au.

Information Publication Scheme

The Commission is subject to the FOI Act and is required to publish information to the public as part of the Information Publication Scheme (IPS). Under Part II of the FOI Act, the Commission must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The Commission's information publication plan is available at fwc.gov.au.

Mandatory information (cont.)**Remediation of information published in previous annual reports****Appendix C: Members' activities, p.136, 2018–19 Annual Report**

On page 136 of the 2018–19 Annual Report it states that Deputy President Hamilton delivered the paper '*Practical aspects of the Fair Work Commission's jurisdiction and the Australian employment safety net*' to the Australian Law Librarians Association's 9th Biennial Conference. The correct conference is the Australian Labour Law Association's 9th Biennial Conference.

Table D16, p.155, 2018–19 Annual Report

In row 70 of Table D16 in the 2018–19 Annual report, the matter type was left blank, it should have read *Fair Work (Registered Organisations) Act 2009*.

5 Appendices

- Appendix A: Members
- Appendix B: Members' activities
- Appendix C: Tables and figures reference data
- Appendix D: Annual financial statements
- Appendix E: Entity resources
- Appendix F: Other mandatory information
- Appendix G: List of requirements



Appendix A: Members

Table A1: Fair Work Commission Members at 30 June 2020

President

Justice IJK Ross AO (M)

Vice Presidents

Vice President A Hatcher (S)

Vice President J Catanzariti AM (S)

Deputy Presidents

Deputy President RS Hamilton (M)

Deputy President PJ Sams AM (S)

Deputy President A Booth (S)

Deputy President IC Asbury (B)

Deputy President VP Gostencnik (M)

Deputy President J Kovacic (C)

Deputy President GE Bull (S)

Deputy President T Saunders (S/N)

Deputy President N Lake (B)

Deputy President A Mansini (M)

Deputy President M Binet (P)

Deputy President WR Clancy (M)

Deputy President LE Dean (S)

Deputy President PC Anderson (A)

Deputy President A Colman (M)

Deputy President I Masson (M)

Deputy President A Beaumont (P)

Deputy President A Millhouse (M)

Deputy President G Boyce (S)

Deputy President B Cross (S)

Deputy President J Young (M)

Commissioners

Commissioner PJ Spencer (B)

Commissioner BD Williams (P)

Commissioner DS McKenna (S)

Commissioner IW Cambridge (S)

Commissioner PJ Hampton (A)

Commissioner MP Bissett (M)

Commissioner CF Simpson (B)

Commissioner T Lee (M)

Commissioner S Booth (B)

Commissioner B Riordan (S)

Commissioner LAT Johns OAM (S)

Commissioner NP Wilson (M)

Commissioner T Cirkovic (M)

Commissioner C Platt (A)

Commissioner K Harper-Greenwell (M)

Commissioner J Hunt (B)

Commissioner SM McKinnon (M)

Commissioner L Yilmaz (M)

(A) = Adelaide, (B) = Brisbane, (C) = Canberra, (M) = Melbourne, (N) = Newcastle, (P) = Perth, (S) = Sydney

Table A2: Members of state tribunals who also held an appointment with the Commission, and members of expert panels, at 30 June 2020

Fair Work Commission title	State title/expert panel
Deputy President DJ Barclay (H)	President, TIC
Mr Ferguson	Expert panel member
Professor Wooden	Expert panel member
Ms Labine-Romain	Expert panel member

(H) = Hobart, TIC = Tasmanian Industrial Commission.

Appendix B: Members' activities

Activities outside the Commission

A number of Commission Members hold appointments and positions in addition to their appointments to the Commission.

Justice Ross is a Judge of the Federal Court of Australia and 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; an Adjunct Associate Professor, Work and Organisational Studies, School of Business, University of Sydney; a Visiting Professorial Fellow of the School of Law and Faculty of Law, University of New South Wales (UNSW); Co-Chair of the LGBTI Committee of the International Bar Association.

Deputy President Sams is Co-convenor of Advocacy in the Industrial Relations Tribunals course, run in conjunction with the University of Technology Sydney Centre for Management and Organisation Studies and the Industrial Relations Society of New South Wales.

Deputy President Booth is a member of the Advisory Board to the Discipline of Work and Organisational Studies at the University of Sydney Business School.

Deputy President Asbury is the President of the Defence Force Remuneration Tribunal and the Chairperson of the Northern Territory Police Arbitral Tribunal.

Deputy President Gostencnik is a consultant for the LexisNexis Practical Guidance – Employment Law module.

Deputy President Binet is a committee member of the Royal Perth Hospital Ethics Committee and a member of the Industrial Relations Society of Western Australia, Australian Association of Women Judges and the Australian Human Resource Institute.

Deputy President Clancy served as the honorary Chairperson of the Frederick Richard O'Connell Scholarship Committee and is a member of the Committee of the Industrial Relations Society of Victoria.

Deputy President Dean is a member of the Resolution Institute and is chairperson of the Alpine School.

Deputy President Anderson is a member of the Australian Labour and Employment Relations Association (South Australia).

Deputy President Beaumont is Chair of the Pharmaceutical Benefits Remuneration Tribunal; and a member of the National Judicial College of Australia, Australasian Institute of Judicial Administration Inc. and the UN Women NC Australia.

Deputy President Saunders is a committee member of the Industrial Relations Society of New South Wales (Newcastle branch); a member of the Industry Advisory Committee, Employment Relations and Human Resource Management Disciplinary Group, University of Newcastle; and a member of the Newcastle Law School Advisory Board, University of Newcastle.

Commissioner Spencer is Chairperson of the Northern Territory Correctional Officers Arbitral Tribunal; Deputy Chairperson of the Northern Territory Police Arbitral Tribunal; and a Life Member of the Industrial Relations Society Queensland (IRSQ).

Commissioner Hampton is a member of the Australian Labour and Employment Relations Association; the Australian Labour and Employment Relations Association (South Australia); the Australian Labour Law Association; the Council of Australasian Tribunals (South Australia); the International Association on Workplace Bullying and Harassment; and Resolution Australia.

Commissioner Bissett is a conciliator to the Northern Territory Police Arbitral Tribunal.

Commissioner Lee is a member of the Tasmanian Industrial Commission. The Commissioner is also on the Advisory Board of the Melbourne Law School Centre for Employment and Labour Relations Law.

Commissioner Johns is a Trustee of the Arts Centre of Melbourne, a Director of the YMCA NSW and YMCA Australia. The Commissioner is also the Treasurer of the Industrial Relations Society of New South Wales and the Treasurer of the Australian Labour and Employment Relations Association (ALERA).

Commissioner Wilson is a member of the Tasmanian Industrial Commission.

Commissioner Cirkovic is a member of the Industrial Relations Society of Victoria; the Australian Association of Women Judges and is a member of the Tasmanian Industrial Commission.

Commissioner Platt is a member of the Industrial Relations Society of South Australia.

Commissioner Harper-Greenwell is a member of the Industrial Relations Society of Victoria, the International Association on Workplace Bullying and Harassment and the Australian Association of Women Judges. The Commissioner is also a Professional Member of Resolution Australia, and an Ambassador for Bravehearts Foundation Ltd.

Commissioner Hunt is a member of the Industrial Relations Society of Queensland.

Commission-related engagements in 2019–20

Domestic activities

Throughout the reporting period, Commission Members participated in a range of Commission-related domestic engagement and professional development activities.

Appendix B: Members' activities (cont.)

Justice Ross delivered a number of presentations during the reporting period. In August 2019, Justice Ross presented at the Industrial Relations Society of Newcastle on 'The Fair Work Commission in 2029' discussing what the Fair Work Commission will look like in 10 years time. In May 2020, Justice Ross presented to the Australian Labour Law Association on the Commissions response to COVID-19.

Vice President Hatcher delivered a presentation at the Union Lawyers & Industrial Officers conference in February 2020.

Vice President Catanzariti delivered a speech and presentation in July 2019 at the Australian Chamber of Commerce and Industry general Council Dinner on 'Improving efficiency and reducing complexity'. In September 2019, the Vice President gave a presentation at the University of Sydney on 'IR Policy Work & Organisational Studies'. In February 2020, Vice President Catanzariti presented at the University of New South Wales Law Edge Business and Employment Law Conference on 'Updates from the Fair Work Commission: Recent Developments and Trends'.

In July 2019, Deputy President Hamilton was a guest lecturer at Monash University for the 'Work and the law' subject.

Deputy President Sams in November 2019 presented at the Thomson Reuters Industrial & Workplace Relations Conference on the topic of 'Key updates on the practices and procedures of the Commission, insight into the forward agenda of the Commission and the *Fair Work Amendment (Repeal of 4 Yearly Review and Other Measures) Act 2018*'. In December 2019, the Deputy President was a panellist on the Australian Hotels Association NSW question and answer session regarding updates to the Commission. In March 2020, the Deputy President delivered a presentation to Oxley High School students visiting the Commission offices in Sydney and was the convenor of the University of Sydney's capstone moot for its industrial relations course. In May 2020, Deputy President Sams participated in an interview for the University of Sydney's 'Innovations in Work and IR master's course'. The Deputy President was also a speaker for the Konnect Workplace Law Roadshow, on the topic of the 'Fair Work Commission Update in a COVID-19 working environment'. In July 2020, the Deputy President was a speaker at the Industrial Relations Society's webinar on workplace investigations.

Deputy President Booth spoke at the Industrial Relations Society of South Australia Anti-Bullying Workshop in July 2019. In September 2019, the Deputy President gave a presentation about the work of the Commission to the Office of the Legal Services Commissioner. In September 2019, the Deputy President gave a presentation to FCB Lawyers on the New Approaches jurisdiction. In October 2019, Deputy President Booth gave a presentation about the Commission to Oxley High School business students. In February 2020, the Deputy President delivered a workshop to AGL HR Business Partners on unfair dismissal. In March 2020, the Deputy President participated in the University of Sydney's IR and HR Management Capstone Unit mock anti-bullying matter. The Deputy President delivered a further workshop to AGL HR Business

Partners in March 2020 on the general protections jurisdiction, and again in May and June 2020 on the anti-bullying jurisdiction.

Deputy President Asbury delivered a presentation in August 2019 at the Bar Association of Queensland's Employment and Industrial Relations Conference on recent developments and impending changes in practice and procedure in the Commission. In November 2019, Deputy President Asbury spoke at the Thomson Reuters Industrial & Workplace Relations Conference on 'Key updates on the practices and procedures of the Commission, insight into the forward agenda of the Commission and the *Fair Work Amendment (Repeal of 4 Yearly Review and Other Measures) Act 2018*'. In March 2020, the Deputy President delivered a Commission update at the Legalwise Workplace Law Symposium.

Deputy President Gostencnik in October 2019 presented an overview of the Commission and anti-bullying presentation at the University of Melbourne. In February 2020, the Deputy President delivered a presentation to the Law Institute of Victoria Workplace Relations Conference on the topic of the future of collective agreements, and in June 2020 Deputy President Gostencnik delivered a presentation to the Law Institute of Victoria's Workplace relations specialist discussion group on JobKeeper disputes. In June 2020, the Deputy President delivered a seminar to the Australian Labour & Employment Relations Association of South Australia on the JobKeeper jurisdiction.

Deputy President Kovacic spoke at the Australian Labour and Employment Relations Association's ACT Awards Night. In December 2019, the Deputy President delivered a presentation on 'Preventing bullying at work: Fair Work Commission insights and resources' to Comcare. Deputy President Kovacic also spoke at the Thomson Reuters Mental Health & Employment Law online conference in June 2020.

Deputy President Bull delivered a presentation at the Herbert Smith Freehills Team breakfast briefing in March 2020 on temporary migrant workers in Australia and unfair dismissal protections.

Deputy President Binet spoke at the Industrial Relations Society of Western Australia's Advocacy Course in August 2019.

Deputy President Clancy was the Chairperson for the Panel Discussion on the International Labour Organization and the Future of Work hosted by the Centre for Employment and Labour Relations Law at the Melbourne University Law School in July 2019. The Deputy President presented at the Emverio Workplace Solutions seminar on the Commission's anti-bullying jurisdiction in February 2020. Deputy President Clancy also conducted workshops in May to June 2020 for AGL HR Business Partners on the Fair Work Commission's anti-bullying jurisdiction.

Deputy President Anderson moderated the Australian Labour and Employment Relations Association (South Australia) webinar on the Commission's JobKeeper jurisdiction in June 2020.

Appendix B: Members' activities (cont.)

Deputy President Millhouse delivered a briefing about the Fair Work Commission to RMIT Health Sciences students in August 2019. In October 2019, the Deputy President was a guest lecturer at the University of Melbourne on the topic of 'Labour Standards and their Enforcement Role of the Fair Work Commission'. In March 2020, Deputy President Millhouse delivered an information session and workshop with AGL HR Business Partners on the topic of 'Unpacking the general protections jurisdiction'.

Deputy President Lake in March 2020 presented to the Queensland Hotels Association, providing an update on the role of the Commission and a summary of some recent notable decisions.

Deputy President Mansini hosted a briefing in July 2019 for the Big Brothers Big Sisters organisation about the work of the Commission followed by a tour of the Commission. In September 2019, the Deputy President participated in a question and answer session for the National Retailers' Association on tips for advocates, enterprise bargaining and New Approaches. Between July and August 2019, Deputy President Mansini conducted training sessions and facilitation as part of the Industrial Relations Society of Victoria Advocacy Course. In November 2019, the Deputy President presented at the Thomson Reuters Industrial & Workplace Relations Conference on the topic of 'Key updates on the practices and procedures of the Commission, insight into the forward agenda of the Commission and the *Fair Work Amendment (Repeal of 4 Yearly Review and Other Measures) Act 2018*'. In December 2019, the President delivered a presentation at the Meerkin and Apel Workplace Relations Forum on industrial relations and employment law issues.

Commissioner Spencer delivered a presentation to the Queensland Hotels Association in August 2019 on New Approaches, updates on the Commission's functions and its recent developments. In November 2019, the Commissioner gave another presentation to the Queensland Hotels Association on the topics of unfair dismissals and anti-bullying.

Commissioner Hampton gave a presentation in September 2019 about the work of the Commission to the Office of the Legal Services Commissioner. In October 2019, Commissioner Hampton spoke at the Industrial Relations Society of Tasmania's annual conference on the Commission's anti-bullying jurisdiction. In February 2020, Commissioner Hampton facilitated advocacy training for Workplace Advice Service Partner organisations in South Australia and Western Australia. In February 2020, the Commissioner presented to the Pharmacy Guild of Australia on the various jurisdictions of the Commission.

Commissioner Bissett was a guest speaker in August 2019 at Matthew Flinders Girls High School Year 11 and 12 legal studies class. Commissioner Bissett gave a briefing in October 2019 about the role and powers of the Commission to WEstjustice as part of the Employment Justice Train the Trainer Program. Also in October 2019, the Commissioner gave a presentation to a group of industrial relations students from Monash University on the role of the Commission. In February 2020, Commissioner Bissett delivered a workshop to AGL HR Business Partners on unfair dismissal.

Commissioner Simpson delivered a presentation in September 2019 to Maurice Blackburn on the interaction between codes of conduct, policies and procedures, and discipline and dismissal.

Commissioner Gregory delivered a briefing about the Fair Work Commission to Royal Melbourne Institute of Technology Health Sciences students in July 2019 in September 2019.

Commissioner Johns delivered a lecture at the University of Technology Sydney to human resources students on the theory and practice of performance management in August 2019.

Commissioner Wilson delivered in May 2020 webinar for the Law Institute of Victoria as a part of Law Week on the topic of 'COVID-19 and what this means for employers'.

Commissioner Platt gave a presentation in January 2020 about the work of the Fair Work Commission at the University of South Australia.

Commissioner Hunt participated in the AMPLA National Conference as part of a panel on the future of work in the resources sector in October 2019.

Commissioner McKinnon delivered training as part of the Industrial Relations Society of Victoria's advocacy training program and was the presiding Member for sessions relating to majority support determinations and general protections matters. In October 2019, Commissioner McKinnon delivered training as part of the Judicial College of Victoria's judgment writing program 'Judgment Writing: Good, Clear, Fast.' In December 2019, the Commissioner delivered a presentation about the Commission to a group of law students from the Australian Catholic University. In April 2020, the Commissioner delivered a virtual briefing to Vermont High School on the work of the Commission.

Commissioner Yilmaz delivered a briefing about the Commission to Royal Melbourne Institute of Technology Health Sciences students in July 2019.

Appendix B: Members' activities (cont.)

International activities

Throughout the reporting period, Commission Members participated in a range of Commission-related international engagement and professional development activities.

Justice Ross presented at a meeting in February 2020, with the New Zealand Employment Relations Authority on 'Push, Pull or Nudge? How Nudge theory can offer new ways for tribunals to get the message across'.

Vice President Hatcher attended the International Heads of Tribunals meeting in Quebec City, Canada in September 2019.

Deputy President Booth in June 2020 delivered a presentation entitled 'Swimming against the tide: processes and challenges for changing institutional work' to the International Labor and Employment Relations Association's North American Congress 2020. The Deputy President also facilitated a meeting in June 2020 of the International Labor and Employment Relations Association Third Party Neutrals in Workplace Dispute Resolution Study Group. In July 2020, Deputy President Booth delivered a presentation on the New Approaches jurisdiction to the Canadian National Association of Arbitrators with Professor Andrew Stewart.

Deputy President Gostencnik in July 2019 presented an overview of the Commission and labour dispute resolution to a high-level delegation from Malaysia comprising representatives of government, courts, employer groups and trade unions, arranged in partnership with the International Labour Organization.

Commissioner Wilson gave presentations in October 2019 and December 2019 to delegations of emerging government leaders from Vietnam on the role and functions of the Commission.

Appendix C: Tables and figures reference data

Tables for the delivery of Commission services

Table C1: Decisions and orders published

	2019-20	2018-19	2017-18	2016-17
Decisions and orders published	10,030	10,974	9,717	11,103

Table C2: Hearings and conferences conducted by Members, by location or method

Location or method	2019-20	2018-19	2017-18	2016-17
Adelaide	173	240	240	225
Brisbane	595	847	647	866
Canberra	126	105	101	120
Darwin	15	19	35	18
Hobart	48	86	58	47
Melbourne	1,442	1,797	1,989	2,080
Newcastle	89	117	93	137
Perth	204	427	522	618
Sydney	972	1,406	1,277	1,516
Wollongong	0	0	0	0
Other places	149	240	294	337
In chambers	2,965	2,894	2,316	5,543
Telephone	5,798	3,020	2,839	3,372
Video	530	504	785	925
Total	13,106	11,702	11,196	15,804

Appendix C: Tables and figures reference data (cont.)**Table C3: Applications lodged, by matter type**

Matter type	2019-20
<i>Fair Work Act 2009</i>	33,443
Rule 7 (FWC) – Directions on procedure	1
s.113(6) – Application for an order that terms of prior long service leave instrument are applicable	1
s.120 – Application to vary redundancy pay for other employment or incapacity to pay	319
s.122 – Transfer of employment situations that affect the obligation to pay redundancy pay	1
s.156 – 4 yearly review of modern awards	5
s.157 – FWC may vary etc. modern awards if necessary to achieve modern awards objective	63
s.158 – Application to make a modern award	1
s.158 – Application to vary or revoke a modern award	16
s.160 – Application to vary a modern award to remove ambiguity or uncertainty or correct error	8
s.185 – Application for approval of a greenfields agreement	254
s.185 – Application for approval of a multi-enterprise agreement	15
s.185 – Application for approval of a single-enterprise agreement	3,526
s.210 – Application for approval of a variation of an enterprise agreement	201
s.217 – Application to vary an agreement to remove an ambiguity or uncertainty	24
s.217A – Application to deal with a dispute about variations	7
s.222 – Application for approval of a termination of an enterprise agreement	57
s.225 – Application for termination of an enterprise agreement after its nominal expiry date	323
s.229 – Application for a bargaining order	54
s.236 – Application for a majority support determination	93
s.238 – Application for a scope order	10
s.240 – Application to deal with a bargaining dispute	143
s.248 – Application for a single interest employer authorisation	9
s.251 – Application for a variation of a single interest employer authorisation	3
s.252 – Application to extend single interest employer authorisation	1
s.260 – Application for consent low-paid workplace determination	4

Matter type	2019-20
s.266 – Industrial action related workplace determination	1
s.269 – Bargaining related workplace determination	2
s.285 – Annual wage review	1
s.302 – Application for an equal remuneration order	6
s.318 – Application for an order relating to instruments covering new employer and transferring employees	94
s.319 – Application for an order relating to instruments covering new employer and non-transferring employees	49
s.320 – Application to vary a transferable instrument – agreement	9
s.365 – Application to deal with contraventions involving dismissal	4,823
s.365 – Application to deal with contraventions involving dismissal (consent arbitration)	15
s.372 – Application to deal with other contravention disputes	912
s.394 – Application for unfair dismissal remedy	16,558
s.401 – Application for costs orders against lawyers and paid agents	1
s.418 – Application for an order that industrial action by employees or employers stop etc.	27
s.423 – Application to suspend or terminate protected industrial action – significant economic harm etc	1
s.424 – Application to suspend or terminate protected industrial action – endangering life etc.	3
s.425 – Application to suspend protected industrial action, cooling off	1
s.426 – Application to suspend protected industrial action, significant harm to a third party	1
s.437 – Application for a protected action ballot order	696
s.447 – Application for variation of protected action ballot order	48
s.448 – Application for revocation of protected action ballot order	28
s.459 – Application to extend the 30-day period in which industrial action is authorised by protected action ballot	115
s.472 – Application for an order relating to certain partial work bans	1
s.483AA – Application for an order to access non-member records	7
s.505 – Application to deal with a right of entry dispute	38
s.510 – Upon referral, revoke or suspend an entry permit	1
s.512 – Application for a right of entry permit	1,128
s.516 – Application to extend entry permit	23

Appendix C: Tables and figures reference data (cont.)

Matter type	2019-20
s.520 – Application for an affected member certificate	5
s.526 – Application to deal with a dispute involving stand down	183
s.531 – Application for an order where failure to notify or consult registered employee associations about dismissals	2
s.533 – Application for an FWC Order	4
s.576(2)(aa) – Promoting cooperative and productive workplace relations and preventing disputes	18
s.576(2)(ca) – Proceeding referred to FWC for mediation	11
s.589 – Application for procedural and interim decision	2
s.602 – Application to correct obvious error(s) etc. in relation to FWC's decision	14
s.603 – Application to vary or revoke an FWC decision	1
s.604 – Appeal of decisions	221
s.611 – Application for costs	1
s.739 – Application to deal with a dispute	1719
s.739 – Application to deal with a dispute in relation to flexible working arrangements	29
s.768BA – Application for an order about coverage for transferring employees under a state instrument	2
s.773 – Application to deal with an unlawful termination dispute	138
s.773 – Application to deal with an unlawful termination dispute (consent arbitration)	1
s.789FC – Application for an order to stop bullying	820
s.789GV – Application to deal with a dispute in relation to a JobKeeper direction	128
s.789GV – Application to deal with a dispute under Part 6-4C	416
Fair Work (Registered Organisations) Act 2009	192
RO Act – Request for advice and assistance – FWC	78
s.151(1) RO Act – Membership Agreement with State Registered Union	1
s.152(2) RO Act – Assets and Liabilities Agreement with State Registered Union	1
s.158(1) RO Act – Application for alteration of eligibility rules	7
s.158(1) RO Act – Application for change of name of organisation	5
s.159(1) RO Act – Notification of alterations of other rules	84
s.161 RO Act – Evidence of rules	1
s.18(a) RO Act – Application for registration by an association of employers	1

Matter type	2019–20
s.18(c) RO Act – Application for registration by an enterprise union	1
s.180 RO Act – Conscientious Objection to Membership of Organisations	4
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	2
s.30(1)(a) RO Act – Application by organisation for cancellation of registration	3
s.30(1)(c) RO Act – Cancellation of registration on FWC’s Own Motion	3
<i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>	173
Sch. 3, Item 10 – Application to vary transitional instrument to remove ambiguity – agreement	1
Sch. 3, Item 15 – Application by agreement to terminate collective agreement-based transitional instrument	10
Sch. 3, Item 16 – Application to terminate collective agreement-based transitional instrument	70
Sch. 3, Item 17 – Application by agreement to terminate individual agreement-based transitional instrument	81
Sch. 3, Item 19 – Declaration for unilateral termination with FWC approval to terminate individual agreement	10
Sch. 5, Item 9 – Application for an order remedying reduction in take-home pay resulting from a modern award	1
<i>Work Health and Safety Act 2011</i>	66
s.131 WHS Act – Application for a WHS entry permit	64
s.229 WHS Act – WH&S Review Authority	2
<i>Coal Mining Industry (Long Service Leave) Administration Act 1992</i>	1
s.39D CMILSLA Act – FWC may deal with disputes relating to long service leave	1
Administrative	112
OH&S Review Authority	1
Request for a Board of Reference	111
<i>Workplace Relations Act 1996</i>	2
s.170LW – Pre-reform Act – Application for settlement of dispute (certified agreement)	1
s.709 – Application to FWC to have a dispute resolution process conducted (Div 5)	1
Grand total	33,989

FWC = Fair Work Commission, ROA = Registered Organisations Act, WHS Act = Work Health and Safety Act

Appendix C: Tables and figures reference data (cont.)**Table C4: JobKeeper Applications by Subject Matter**

Subject Matter	2019-20
Wage condition or minimum payment guarantee (ss.789GDA, 789GDB)	44
JobKeeper enabling stand down (s.789GDC)	72
Duties of work (s.789GE)	20
Location of work (s.789GF)	12
Days, times of work etc (s.789GG)	68
Taking paid annual leave (s.789GJ)	61
Secondary employment, training for professional development (s.789GU)	7
Matters that appear to be outside Part 6-4C	363

Table C5: JobKeeper Applications – finalisations

Outcome	2019-20
Application withdrawn	386
Resolved at conciliation or mediation	92
Finalised by decision	40
Finalised by administrative dismissal (s.587)	33
Finalised at arbitration: resolved	4
Finalised at arbitration: Substituting JobKeeper direction	1
Finalised at arbitration: Referred to another matter	1
Finalised by arbitration: Orders JobKeeper direction desirable	1
Total finalisations	518

Tables for ‘Management and accountability’**Table C6: Details of accountable authority during the reporting period**

Name	Position title/position held	Period as the accountable authority or member	
		Date of commencement	Date of cessation
Bernadette O’Neill	General Manager	1/07/2019	30/06/2020

Table C7: All ongoing employees current reporting period (2019–20)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	10	0	10	23	2	25	35
Qld	8	1	9	7	1	8	17
SA	5	0	5	4	2	6	11
Tas	0	0	0	0	2	2	2
Vic	52	3	55	78	24	102	157
WA	1	0	1	7	1	8	9
ACT	2	0	2	2	0	2	4
NT	0	0	0	3	0	3	3
Total	78	4	82	124	32	156	238

Table C8: All non-ongoing employees current reporting period (2019–20)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	9	0	9	6	0	6	15
Qld	1	0	1	2	1	3	4
SA	1	0	1	2	0	2	3
Tas	0	0	0	1	0	1	1
Vic	8	1	9	21	4	25	34
WA	2	0	2	1	0	1	3
ACT	0	0	0	3	0	3	3
NT	0	0	0	0	0	0	0
Total	21	1	22	36	5	41	63

Appendix C: Tables and figures reference data (cont.)

Table C9: All ongoing employees previous reporting period (2018–19)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	10	0	10	24	2	26	36
Qld	5	2	7	6	1	7	14
SA	5	0	5	5	0	5	10
Tas	0	0	0	1	1	2	2
Vic	54	4	58	75	26	101	159
WA	0	0	0	8	1	9	9
ACT	2	0	2	3	0	3	5
NT	0	0	0	3	0	3	3
Total	76	6	82	125	31	156	238

Table C10: All non-ongoing employees previous reporting period (2018–19)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	5	0	5	7	0	7	12
Qld	5	0	5	5	0	5	10
SA	1	0	1	3	0	3	4
Tas	0	0	0	1	0	1	1
Vic	10	1	11	25	1	26	37
WA	2	0	2	2	0	2	4
ACT	1	0	1	2	0	2	3
NT	0	0	0	0	0	0	0
Total	24	1	25	45	1	46	71

Table C11: APS ongoing employees current reporting period (2019–20)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	2	0	2	1	0	1	3
EL 2	10	3	13	14	1	15	28
EL 1	10	0	10	14	7	21	31
APS 6	23	0	23	38	14	52	75
APS 5	17	1	18	35	1	36	54
APS 4	15	0	15	20	8	28	43
APS 3	0	0	0	1	0	1	1
APS 2	1	0	1	1	1	2	3
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	78	4	82	124	32	156	238

Table C12: APS non-ongoing employees current reporting period (2019–20)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0
EL 1	0	0	0	0	1	1	1
APS 6	1	0	1	1	0	1	2
APS 5	14	1	15	24	2	26	41
APS 4	6	0	6	11	2	13	19
APS 3	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	21	1	22	36	5	41	63

Appendix C: Tables and figures reference data (cont.)

Table C13: APS ongoing employees previous reporting period (2018–19)

	Male			Female			Total
	Full-time	Part Time	Total Male	Full-time	Part Time	Total Female	
SES 1	1	0	1	1	0	1	2
EL 2	11	3	14	12	2	14	28
EL 1	11	1	12	13	7	20	32
APS 6	22	1	23	37	15	52	75
APS 5	13	0	13	34	3	37	50
APS 4	16	1	17	26	3	29	46
APS 3	0	0	0	1	0	1	1
APS 2	2	0	2	1	1	2	4
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	76	6	82	125	31	156	238

Table C14: APS non-ongoing employees previous reporting period (2018–19)

	Male			Female			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 1	0	0	0	0	0	0	0
EL 2	0	0	0	1	0	1	1
EL 1	1	0	1	0	0	0	1
APS 6	0	0	0	0	0	0	0
APS 5	17	1	18	27	0	27	45
APS 4	6	0	6	16	1	17	23
APS 3	0	0	0	0	0	0	0
APS 2	0	0	0	1	0	1	1
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	24	1	25	45	1	46	71

Table C15: APS employees by full-time and part-time status current reporting period (2019–20)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total non-ongoing	Full-time	Part-time	Total non-ongoing	
SES 1	3	0	3	0	0	0	3
EL 2	24	4	28	0	0	0	28
EL 1	24	7	31	0	1	1	32
APS 6	61	14	75	2	0	2	77
APS 5	52	2	54	38	3	41	95
APS 4	35	8	43	17	2	19	62
APS 3	1	0	1	0	0	0	1
APS 2	2	1	3	0	0	0	3
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	202	36	238	57	6	63	301

Table C16: APS employees by full-time and part-time status previous reporting period (2018–19)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total non-ongoing	Full-time	Part-time	Total non-ongoing	
SES 1	2	0	2	0	0	0	2
EL 2	23	5	28	1	0	1	29
EL 1	24	8	32	1	0	1	33
APS 6	59	16	75	0	0	0	75
APS 5	47	3	50	44	1	45	95
APS 4	42	4	46	22	1	23	69
APS 3	1	0	1	0	0	0	1
APS 2	3	1	4	1	0	1	5
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	201	37	238	69	2	71	309

Appendix C: Tables and figures reference data (cont.)**Table C17: APS employment type by location current reporting period (2019–20)**

	Ongoing	Non-ongoing	Total
NSW	35	15	50
Qld	17	4	21
SA	11	3	14
Tas	2	1	3
Vic	157	34	191
WA	9	3	12
ACT	4	3	7
NT	3	0	3
Total	238	63	301

Table C18: APS employment type by location previous reporting period (2018–19)

	Ongoing	Non-Ongoing	Total
NSW	36	12	48
Qld	14	10	24
SA	10	4	14
Tas	2	1	3
Vic	159	37	196
WA	9	4	13
ACT	5	3	8
NT	3	0	3
Total	238	71	309

Table C19: APS Indigenous employment current reporting period (2019–20)

	Total
Ongoing	1
Non-ongoing	1
Total	2

Table C20: Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Other benefits annuities and contributions	Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	allowances			Long service leave	Other long-term benefits		
Justice Iain Ross (AO) ⁽¹⁾	President	513,006	-	25,782	-	-	51,498	-	-	590,286
Bernadette O'Neill	General Manager	387,894	-	-	25,000	-	10,079	-	-	422,973
Total		900,900	-	25,782	25,000	-	61,577	-	-	1,013,259

1. The President is eligible for a pension under the Judges' Pension Scheme (JPS) pursuant to the *Judges' Pensions Act 1968*. The Fair Work Commission does not contribute towards the cost of the JPS, which is an unfunded defined benefit scheme recorded in the Department of Finance Financial Statements.

Table C21: Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits			Average other benefits and allowances (\$)	Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average allowances (\$)			Average long service leave (\$)	Average other long-term benefits (\$)		
\$0-\$220,000	1	129,504	-	-	13,356	2,672	-	-	-	144,189
\$220,001-\$245,000	1	208,977	-	-	21,880	5,101	-	-	-	235,958
\$270,001-\$295,000	2	231,996	-	-	40,426	6,029	-	-	-	278,450

Appendix C: Tables and figures reference data (cont.)

Table C22: Other highly paid employees

Total remuneration bands	Number of senior executives	Short-term benefits		Post-employment benefits		Other long-term benefits	Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average super-annuation contributions (\$)			
\$245,001–\$265,000	1	226,313	–	–	19,728	5,608	–	251,649

Table C23: APS employment salary ranges by classification level current reporting period (2019–20)

	Minimum salary	Maximum salary
SES ¹	–	234,000
EL 2	123,189	144,171
EL 1	106,841	115,623
APS 6	83,927	96,542
APS 5	77,491	82,126
APS 4	69,510	75,433
APS 3	62,431	67,323
APS 2	56,479	60,759
APS 1	48,915	50,847

¹ The General Manager determines the salaries of SES employees.

Note: The figures reflect base salary only and exclude superannuation and other benefits.

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Audited Financial Statements 2019–20



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FAIR WORK COMMISSION



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INDEPENDENT AUDITOR'S REPORT

To the Minister for Industrial Relations

Opinion

In my opinion, the financial statements of the Fair Work Commission (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

In preparing the financial statements, the General Manager is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The General Manager is also responsible for disclosing, as

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Appendix D: Annual financial statements (cont.)**OFFICIAL**

applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office



Peter Kerr
Executive Director
Delegate of the Auditor-General
Canberra
1 September 2020

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Appendix D: Annual financial statements (cont.)**FAIR WORK COMMISSION****STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2020 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
Accountable Authority
1 September 2020

Signed 

Jack Lambalk
Chief Financial Officer
1 September 2020

Statement of Comprehensive Income
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	50,747	49,280	48,419
Suppliers	1.1B	18,864	29,193	30,936
Depreciation and amortisation	3.2A	17,172	5,623	6,407
Finance costs	1.1C	476	-	-
Write-down and impairment of other assets	1.1D	3,865	62	-
Total expenses		91,124	84,158	85,762
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	426	279	200
Rental income	1.2B	1,841	1,841	1,800
Other revenue	1.2C	173	56	55
Total own-source revenue		2,440	2,176	2,055
Gains				
Other gains	1.2D	332	-	-
Total gains		332	-	-
Total own-source income		2,772	2,176	2,055
Net cost of services		(88,352)	(81,982)	(83,707)
Revenue from Government	1.2E	76,896	74,840	77,300
Deficit on continuing operations		(11,456)	(7,142)	(6,407)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus	3.2A	1,328	-	-
Total comprehensive loss		(10,128)	(7,142)	(6,407)

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

Appendix D: Annual financial statements (cont.)**Budget Variances Commentary**

Variances are considered to be “major” based on the following criteria:

- variance between budget and actual is greater than 10% at item level; and
- variance is greater than 2% of the relevant categories. In the case of the Statement of Comprehensive Income, they are total expenses or total revenue.

Suppliers

The variance against supplier expenses is due to the adoption of AASB 16 which resulted in a reduction in supplier costs relating to lease expenses in the current financial year. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Depreciation and amortisation

The variance against depreciation and amortisation is due to the adoption of AASB 16 which resulted in increased depreciation charges to reflect right of use expense for leased premises. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Finance Costs

The variance against finance costs was due to application of AASB 16 which resulted in the recognition of finance costs relating to lease liabilities which did not apply under the previous standard and were not reflected in the Portfolio Budget Statements.

Write down and impairment of other assets

During the financial year the Fair Work Commission completed a valuation of all non-financial assets to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The Fair Work Commission recognised an impairment charge of \$3.862 million relating to computer software assets.

Changes in asset revaluation surplus

During the financial year the Fair Work Commission completed a valuation of all non-financial assets to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The valuation was completed by an independent valuer and resulted in a revaluation surplus of \$1.328m.

Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	559	719	562
Trade and other receivables	3.1B	39,868	34,171	31,885
Total financial assets		40,427	34,890	32,447
Non-financial assets¹				
Leasehold improvements	3.2A	66,023	18,152	14,564
Plant and equipment	3.2A	2,012	2,880	2,774
Computer software	3.2A	1,087	4,385	4,801
Other non-financial assets	3.2B	1,523	9,617	14,681
Total non-financial assets		70,645	35,034	36,820
Total assets		111,072	69,924	69,267
LIABILITIES				
Payables				
Suppliers	3.3A	1,346	799	5,054
Other payables	3.3B	796	16,016	14,114
Total payables		2,142	16,815	19,168
Interest bearing liabilities				
Leases	3.4A	54,765	-	-
Total interest bearing liabilities		54,765	-	-
Provisions				
Employee provisions	6.1A	15,154	14,608	13,592
Other provisions		-	89	89
Total provisions		15,154	14,697	13,681
Total liabilities		72,061	31,512	32,849
Net assets		39,011	38,412	36,418
EQUITY				
Contributed equity		49,849	47,474	50,667
Reserves		13,738	12,410	12,410
Accumulated deficit		(24,576)	(21,472)	(26,659)
Total equity		39,011	38,412	36,418

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

1. Right-of-use assets are included in the leasehold improvements line item.

Appendix D: Annual financial statements (cont.)**Budget Variances Commentary**

Variances are considered to be “major” based on the following criteria:

- variance between budget and actual is greater than 10% at item level; and
- variance is greater than 2% of the relevant categories. In the case of the Statement of Financial Position, it is total equity.

Trade and other receivables

The variance against trade and other receivables relates to a higher than expected appropriations receivables balance at 30 June 2020, as a result of lower than expected payments for capital purchases and supplier payments made during the financial year.

Leasehold Improvements

The variance against leasehold improvements is due to the recognition of right of use asset on initial application of AASB 16. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Computer Software

During the financial year the Fair Work Commission completed a valuation of non-financial assets to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. An impairment charge was recognised for computer software assets.

Other non-financial assets

The variance against other non-financial assets is due to transition to AASB 16 which resulted in a reduction in lease incentives receivable on adoption of the new standard. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Suppliers

The variance against suppliers is due to lower than expected trade creditor and accruals balance at 30 June 2020.

Other payables

The variance against other payables is due to transition to AASB 16 which resulted in a reduction in other payables on adoption to the new standard. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Interest Bearing Liabilities

The variance that relates to interest bearing liabilities is due to the adoption of AASB 16. The Fair Commission recognised as lease liability relating to its property leases. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Statement of Changes in Equity
for the period ended 30 June 2020

	2020 \$'000	2019 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance	47,474	45,920	48,292
Transactions with owners			
Contributions by owners			
Departmental capital budget	2,375	1,554	2,375
Total transactions with owners	2,375	1,554	2,375
Closing balance as at 30 June	49,849	47,474	50,667
ACCUMULATED DEFICIT			
Opening balance	(21,472)	(14,330)	(20,252)
Adjustment on initial application of AASB 16	8,352	-	-
Adjusted opening balance	(13,120)	(14,330)	(20,252)
Comprehensive income			
Deficit for the period	(11,456)	(7,142)	(6,407)
Total comprehensive income	(11,456)	(7,142)	(6,407)
Closing balance as at 30 June	(24,576)	(21,472)	(26,659)
ASSET REVALUATION RESERVE			
Opening balance	12,410	12,410	12,410
Comprehensive income			
Other comprehensive income	1,328	-	-
Total comprehensive income	1,328	-	-
Closing balance as at 30 June	13,738	12,410	12,410

Appendix D: Annual financial statements (cont.)**Statement of Changes in Equity**
for the period ended 30 June 2020

	2020 \$'000	2019 \$'000	Original Budget \$'000
TOTAL EQUITY			
Opening balance	38,412	44,000	40,450
Adjustment on initial application of AASB 16	8,352	-	-
Adjusted opening balance	46,764	44,000	40,450
Comprehensive income			
Deficit for the period	(11,456)	(7,142)	(6,407)
Other comprehensive income	1,328	-	-
Total comprehensive income	(10,128)	(7,142)	(6,407)
Transactions with owners			
Contributions by owners			
Departmental capital budget	2,375	1,554	2,375
Total transactions with owners	2,375	1,554	2,375
Closing balance as at 30 June	39,011	38,412	36,418

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

Accounting Policy**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.

Budget Variances Commentary

Variances are considered to be "major" based on the following criteria:

- variance between budget and actual is greater than 10% at item level; and
- variance is greater than 2% of the relevant categories. In the case of the Statement of Changes in Equity, it is total equity.

Adjusted opening balance

The Fair Work Commission adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. The impact of AASB 16 was not reflected in the published Portfolio Budget statements.

Other Comprehensive Income

During the financial year the Fair Work Commission completed a valuation of all non-financial assets to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The valuation was completed by an independent valuer and resulted in a revaluation increment.

Cash Flow Statement

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		71,101	72,444	77,269
Sale of goods and rendering of services		2,425	2,116	1,800
Net GST received		2,371	2,560	200
Total cash received		75,897	77,120	79,269
Cash used				
Employees		(49,622)	(48,172)	(48,388)
Suppliers		(20,513)	(28,964)	(30,881)
Interest payments on lease liabilities		(476)	-	-
Total cash used		(70,611)	(77,136)	(79,269)
Net cash from/ (used by) operating activities		5,286	(16)	-
INVESTING ACTIVITIES				
Cash used				
Purchase of leasehold improvements		(196)	(296)	(50)
Purchase of property, plant and equipment		(503)	(192)	(825)
Purchase of computer software		(633)	(893)	(1,500)
Total cash used		(1,332)	(1,381)	(2,375)
Net cash used by investing activities		(1,332)	(1,381)	(2,375)
FINANCING ACTIVITIES				
Cash received				
Departmental capital budget		2,375	1,554	2,375
Total cash received		2,375	1,554	2,375
Cash used				
Principle payments of lease liabilities		(6,489)	-	-
Total cash received		(6,489)	-	-
Net cash from financing activities		(4,114)	1,554	2,375
Net increase in cash held		(160)	157	-
Cash and cash equivalents at the beginning of the reporting period		719	562	562
Cash and cash equivalents at the end of the reporting period	3.1A	559	719	562

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

Appendix D: Annual financial statements (cont.)**Budget Variances Commentary**

Variances are considered to be “major” based on the following criteria:

- variance between budget and actual is greater than 10% at item level; and
- variance is greater than 2% of the relevant categories. In the case of the Cash Flow Statement, it is total equity.

Operating Activities – Cash used

The variance against suppliers is due to the transition to AASB 16 where lease payments have been recognised as principle repayments under financing activities in cash used.

Investing Activities – Cash used

The variance against cash used for investing activities was due to lower than expected cash outflows relating to ICT projects.

Financing Activities – Cash used

The variance against suppliers is due to transition to AASB 16 where lease payments have been recognised as principle repayments under the financing activities which under previous standard were categorised as supplier payments.

Administered Schedule of Comprehensive Income

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Application refunds paid	2.1A	477	463	500
Total expenses		477	463	500
Income				
Revenue				
Non-taxation revenue				
Application fees received	2.2A	1,141	1,174	1,078
Total non-taxation revenue		1,141	1,174	1,078
Total revenue		1,141	1,174	1,078
Total income		1,141	1,174	1,078
Net contribution by services		664	711	578
Surplus		664	711	578

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

Appendix D: Annual financial statements (cont.)**Administered Schedule of Assets and Liabilities***as at 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
LIABILITIES				
Provisions				
Application fees liabilities	4.2A	(270)	-	-
Total provisions		(270)	-	-
Total liabilities administered on behalf of Government		(270)	-	-
Net assets/(liabilities)		(270)	-	-

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

Budget Variances Commentary

Variances are considered to be "major" based on the following criteria:

- variance between budget and actual is greater than 10% at item level; and
- variance is greater than 2% of the relevant categories. In the case of administered schedule of assets and liabilities, it is administered net assets/ liabilities

Application fees liabilities

On transition to AASB 15, the Fair Work Commission has recognised a liability for application fees received that have not been substantially performed or refunded at 30 June 2020.

Administered Reconciliation Schedule

	2020 \$'000	2019 \$'000	Original Budget \$'000
Opening assets less liabilities as at 1 July	-	-	-
Adjustment on initial application of AASB 15/AASB1058	(139)	-	-
Adjusted opening assets less liabilities at 1 July	(139)	-	-
Net (cost of)/contribution by services			
Application fees income	1,141	1,174	1,078
Expenses			
Payments to entities other than corporate Commonwealth entities	(477)	(463)	(500)
Special appropriations (limited)			
Transfers from Official Public Accounts	603	463	500
Appropriation transfers to Official Public Account			
Transfers to OPA	(1,398)	(1,174)	1,078
Closing assets less liabilities as at 30 June	(270)	-	-

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

Administered cash transfers to and from the official public account

Revenue collected by the Fair Work Commission for use by the Government rather than the 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 the 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.

Appendix D: Annual financial statements (cont.)**Administered Cash Flow Statement***for the period ended 30 June 2020*

	2020	2019	Original Budget
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Application fees received	1,398	1,174	1,078
Total cash received	1,398	1,174	1,078
Cash used			
Application refunds paid	(603)	(463)	(500)
Total cash used	(603)	(463)	(500)
Net cash from operating activities	795	711	578
Cash from Official Public Account			
Appropriations	603	463	500
Total cash from official public account	603	463	500
Cash to Official Public Account			
Appropriations	(1,398)	(1,174)	(1,078)
Total cash to official public account	(1,398)	(1,174)	(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.

Overview

Objectives of the Fair Work Commission

The Fair Work Commission is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the Fair Work Commission is to deliver 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 Basis of Preparation

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

The financial statements have been prepared in accordance with:

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets 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.

New Accounting Standards

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

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 15 <i>Revenue from Contracts with Customers</i> / AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i> and AASB 1058 <i>Income of Not-For-Profit Entities</i>	<p>AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019.</p> <p>AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and Interpretation 13 <i>Customer Loyalty Programmes</i>. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 <i>Contributions</i> and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.</p> <p>The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>

Appendix D: Annual financial statements (cont.)

AASB 16 Leases	<p>AASB 16 became effective on 1 July 2019.</p> <p>This new standard has replaced AASB 117 <i>Leases</i>, Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>, Interpretation 115 <i>Operating Leases—Incentives</i> and Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>.</p> <p>AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>
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Application of AASB 15 Revenue from Contracts with Customers / AASB 1058 Income of Not-For-Profit Entities

The Fair Work Commission adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018-19 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model the Fair Work Commission shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Fair Work Commission applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Fair Work Commission shall consider whether AASB 1058 applies.

In relation to AASB 15, the Fair Work Commission elected to apply the new standard to all new and uncompleted contracts from the date of initial application. The Fair Work Commission is required to aggregate the effect of all of the contract modifications that occur before the date of initial application.

In terms of AASB 1058, the Fair Work Commission is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.

Departmental

The Fair Work Commission's departmental revenue is not impacted by the new standard on transition.

Administered

Application fees are payable to the Fair Work Commission at the time of lodgement of applications relating to s394, s365, s372, s773 and s789FC of the Fair Work Act 2009.

Prior to the 1st of July 2019 application fees were recognised as revenue in the Administered Schedule of Comprehensive Income upon receipt of the application fee. If the matter was closed prior to being substantially dealt with by the Fair Work Commission, application fees received were refunded to the applicant and an expense recognised in the Administered statement of Comprehensive income on the date the refund was paid.

From 1 July 2019 on transition to AASB 15, the Fair Work Commission recognises application fees received as a liability in the Administered Schedule of Assets and Liabilities. After a matter has been closed and substantially performed by the Fair Work Commission (i.e. the Fair Work Commission has fulfilled its performance obligation), revenue will be recognised in the Administered Schedule of Comprehensive Income.

Impact on transition

The impact on transition is summarised below:

Liabilities

Application fee liabilities	139
Total liabilities	139
Net liabilities	(139)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	AASB 15 / AASB 1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000
Expenses			
Application refunds paid	477	603	(126)
Total expenses	477	603	(126)
Revenue			
Application fees received	1,141	1,398	(257)
Total revenue	1,141	1,398	(257)
Net contribution by services	664	795	(131)
Liabilities			
Application fee liabilities	270	-	270
Total liabilities	270	-	270
Net liabilities	(270)	-	(270)

Appendix D: Annual financial statements (cont.)

Application of AASB 16 Leases

The Fair Work Commission adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018-19 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The Fair Work Commission elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Fair Work Commission applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Fair Work Commission previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Fair Work Commission recognises right-of-use assets and lease liabilities for most leases. However, the Fair Work Commission has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Fair Work Commission recognised right-of-use assets and lease liabilities in relation to leases of office space, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Finance's incremental borrowing rate as at 1 July 2019. The Finance's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 0.893%.

The right-of-use assets were measured as follows:

- a) Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- b) All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

Impact on transition

On transition to AASB 16, the Fair Work Commission recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Departmental	1 July 2019
	\$
Right-of-use assets - property, plant and equipment	62,264,953
Lease liabilities	(61,699,324)
Retained earnings	(8,352,151)

The following table reconciles the Departmental minimum lease commitments disclosed in the Fair Work Commission's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019
	\$
Minimum operating lease commitment at 30 June 2019	87,733,864
Less: GST not included in calculating lease liabilities	(7,969,416)
Less: short-term leases not recognised under AASB 16	(120,484)
Less: other adjustments to lease commitments	(15,667,326)
Undiscounted lease payments	63,976,638
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(2,277,314)
Lease liability recognised as at 1 July 2019	61,699,324

Taxation

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

Reporting of Administered activities

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

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

Events after the Reporting Period

Departmental

There were no significant events that had the potential to significantly affect the ongoing structure and financial activities of the Fair Work Commission.

Administered

There were no significant events that had the potential to significantly affect the ongoing structure and financial activities of the Fair Work Commission.

Appendix D: Annual financial statements (cont.)**Impact of COVID-19 Pandemic**

The Fair Work Commission recorded an increase in lodgments and matters dealt with by the Commission as a result of the pandemic. Temporary provisions were added to the *Fair Work Act 2009*, giving the Fair Work Commission power to deal with disputes on how JobKeeper directions and agreements are implemented.

Late in the financial year the Fair Work Commission completed a valuation of all non-financial assets to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The valuation included an assessment of COVID-19 on the fair value of assets and future lease obligations, and no adjustments were made. With most staff working remotely the Commission prioritised resources to meet increase in lodgments, and consequently some projects were postponed or paused.

The COVID-19 pandemic had no material impact on the Commissions Financial position at reporting date.

Financial Performance

This section analyses the financial performance of Fair Work Commission for the year ended 2020.

1.1 Expenses

	2020 \$'000	2019 \$'000
1.1A: Employee benefits		
Wages and salaries	39,876	38,380
Superannuation:		
Defined contribution plans	4,567	4,366
Defined benefit plans	1,518	1,560
Leave and other entitlements	4,381	4,551
Separation and redundancies	201	155
Other employee expenses	204	268
Total employee benefits	50,747	49,280

Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

1.1B: Suppliers

Goods and services supplied or rendered

Court/member services	1,919	2,541
Information Communications Technology	4,027	3,553
Property expenses	3,554	3,424
Office expense	689	777
Contractors	7,832	7,786
Other	380	413
Total goods and services supplied or rendered	18,401	18,494

Goods supplied	809	897
Services rendered	17,592	17,597
Total goods and services supplied or rendered	18,401	18,494

Other suppliers

Workers compensation expenses	88	121
Operating lease rentals ¹	-	10,578
Short term leases	57	-
Variable lease payments	318	-
Total other suppliers	463	10,699
Total suppliers	18,864	29,193

- The Fair Work Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The Fair Work Commission has short-term lease commitments of \$56,564.41 as at 30 June 2020.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, 1.2B, 1.2D, 3.2 and 3.4A.

Appendix D: Annual financial statements (cont.)**Accounting Policy*****Short-term leases and leases of low-value assets***

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

1.1C: Finance costs

Interest on lease liabilities	476	-
Total finance costs	476	-

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B, 1.2D, 3.2 and 3.4A.

Accounting Policy

All borrowing costs are expensed as incurred.

1.1D: Write-down and impairment of other assets

Write-down of property, plant and equipment	3	62
Impairment on intangible assets	3,862	-
Total finance costs	3,865	62

1.2 Own-Source Revenue and Gains

	2020 \$'000	2019 \$'000
Own-Source Revenue		
<u>1.2A: Revenue from contracts with customers</u>		
Sale of goods and rendering of services	426	279
Total revenue from contracts with customers	426	279
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Hire of hearing rooms and video conferencing facilities	424	220
Other	2	59
	426	279
Type of customer:		
State and Territory Governments	424	220
Non-government entities	2	59
	426	279
Timing of transfer of goods and services:		
Point of time	426	279
	426	279

Accounting Policy

Revenue is recognised when (or as) the Fair Work Commission satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The Fair Work Commission transfers control of a good or service at a point in time, therefore, satisfies the performance obligation at a point in time.

The principal activities from which the Fair Work Commission generates own source revenue is the hire of hearing rooms and video conferencing facilities. The Fair Work Commission recognises revenue on a daily rate when the service is performed.

The transaction price is the total amount of consideration to which the Fair Work Commission expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Appendix D: Annual financial statements (cont.)**1.2B: Rental Income**

Operating lease		
Lease income	1,841	1,841
Total rental income	1,841	1,841

Operating Leases

The Fair Work Commission in its capacity as lessor received rental income from subleasing part of the Sydney office during the 2019-20 financial year. The Fair Work Commission retains substantially all the risks and rewards incidental to ownership of the underlying asset.

Maturity analysis of operating lease income receivables:

Within 1 year	2,127	2,052
One to two years	2,204	4,331
Total undiscounted lease payments receivable	4,331	6,383

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 1.2D, 3.2 and 3.4A.

1.2C: Other Revenue

Resources received free of charge		
Remuneration of auditors	57	56
COVID-19 Staff transfer	116	-
Total other revenue	173	56

Accounting Policy*Resources Received Free of Charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Gains

1.2D: Other Gains

Lease gain	243	-
Write back of make good	<u>89</u>	-
Total other gains	<u>332</u>	-

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 1.2B, 3.2 and 3.4A.

Accounting Policy

Lease gain

For a lease modification, the Fair Work Commission requires to allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

The Fair Work Commission accounts for the remeasurement of the lease liability by:

- a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

1.2E: Revenue from Government

Appropriations		
Departmental appropriations	<u>76,896</u>	<u>74,840</u>
Total revenue from Government	<u>76,896</u>	<u>74,840</u>

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the 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. Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Appendix D: Annual financial statements (cont.)**Income and Expenses Administered on Behalf of the Government**

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

2.1 Administered – Expenses

	2020	2019
	\$'000	\$'000

2.1A: Expenses

Refund of application fees	(477)	(463)
Total expenses	(477)	(463)

2.2 Administered – Income

	2020	2019
	\$'000	\$'000

Revenue**Non-Taxation Revenue****2.2A: Fees**

Application fees received	1,141	1,174
Total fees	1,141	1,174

Accounting Policy

Application fees are payable to the Fair Work Commission at the time of lodgement of applications relating to s394, s365, s372, s773 and s789FC of the *Fair Work Act 2009*.

In the 2018-19 year the Fair Work Commission recognised application fee revenue at time of lodgement and receipt of the application fee. From 1 July 2019 on transition to AASB 15, the Fair Work Commission recognises application fees received as a revenue only when a matter has been substantially dealt with by a member of the Commission. (i.e. the Commission has performed its performance obligation).

Financial Position

This section analyses the Fair Work Commission's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2020 \$'000	2019 \$'000
3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	559	719
Total cash and cash equivalents	559	719

Accounting Policy

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

- a) Cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value

3.1B: Trade and Other Receivables

Goods and services receivables

Goods and services	59	173
Total goods and services receivables	59	173

Appropriations receivables

Appropriation receivable	39,554	33,759
Total appropriations receivables	39,554	33,759

Other receivables

GST receivable	255	239
Total other receivables	255	239
Total trade and other receivables (gross)	39,868	34,171

Less impairment loss allowance

	-	-
Total trade and other receivables (net)	39,868	34,171

Credit terms for goods and services were within 20 days (2019: 30 days).

Accounting Policy

Financial assets

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

Appendix D: Annual financial statements (cont.)

3.2 Non-Financial Assets

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

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Computer software ¹ \$'000	Total \$'000
As at 1 July 2019				
Gross book value	25,893	5,531	8,017	39,441
Accumulated amortisation and impairment	(7,741)	(2,651)	(3,632)	(14,024)
Total as at 1 July 2019	18,152	2,880	4,385	25,417
Recognition of right of use asset on initial application of AASB 16	62,265	-	-	62,265
Adjusted total as at 1 July 2019	80,417	2,880	4,385	87,682
Additions				
Purchase	196	503	-	699
Internally developed	-	-	633	633
Revaluations and impairments recognised in other comprehensive income	1,172	156	-	1,328
Depreciation and amortisation	(3,775)	(1,524)	(69)	(5,368)
Depreciation on right-of-use assets	(11,804)	-	-	(11,804)
Impairments recognised in net cost of services	-	-	(3,862)	(3,862)
Other movement of ROU	(183)	-	-	(183)
Disposals	-	(3)	-	(3)
Total as at 30 June 2020	66,023	2,012	1,087	69,122
Total as at 30 June 2020 represented by				
Gross book value	77,827	2,012	4,788	84,627
Accumulated depreciation, amortisation and impairment	(11,804)	-	(3,701)	(15,505)
Total as at 30 June 2020	66,023	2,012	1,087	69,122
Carrying amount of right-of-use assets	50,278	-	-	50,278

1. The carrying amount of computer software included \$3,796.38 purchased software and \$1,083,307.83 internally generated software.

Revaluations and impairments recognised in other comprehensive income

On 30 June 2020, an independent valuer conducted the revaluations. All revaluations were conducted in accordance with the revaluation policy. Total revaluation surplus recognised as other comprehensive income following the revaluation was \$1.328m.

Impairments recognised in net cost of services

The Fair Work Commission has previously capitalised software development expenditure for the implementation of a new Case Management system (eCase). The system did not go live during the 2019-20 financial year as expected and further development work on the eCase was paused on the 31st of May 2020. With uncertainty whether the system will be available for use and deliver probable future economic benefit to recover the carrying value, the Fair Work Commission has recognised an impairment of \$3.862m.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

As at the reporting date, the Fair Work Commission has no contractual commitments for the acquisition of leasehold improvements, property, plant and equipment.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. 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.

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 lease taken up by the Fair Work Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Fair Work Commission's leasehold improvements with a corresponding provision for the 'make good' recognised.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

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

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

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

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

Depreciation

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

	2020	2019
Leasehold		
Improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

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

Impairment

All assets were assessed for impairment at 30 June 2020. Where indications of impairment exist, the asset's recoverable amount is estimated and an

Appendix D: Annual financial statements (cont.)

impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the 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.

Intangibles

The Fair Work Commission's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Fair Work Commission's software are 3 to 10 years (2019: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2020.

	2020 \$'000	2019 \$'000
<u>3.2B: Other Non-Financial Assets</u>		
Prepayments	1,167	1,878
Lease incentive ¹	-	7,307
Lease receivables	<u>356</u>	<u>432</u>
Total other non-financial assets	<u>1,523</u>	<u>9,617</u>

1. The Fair Work Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

No indicators of impairment were found for other non-financial assets.

Appendix D: Annual financial statements (cont.)**3.3 Payables**

	2020 \$'000	2019 \$'000
3.3A: Suppliers		
Trade creditors and accruals	1,346	799
Total suppliers	1,346	799

Settlement terms for suppliers are 30 days.

3.3B: Other payables

Salaries and wages	642	320
Separations and redundancies	154	-
Superannuation	-	37
Lease payable ¹	-	3,549
Lease incentives ¹	-	12,110
Total other payables	796	16,016

1. The Fair Work Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

3.4 Interest bearing Liabilities

	2020 \$'000	2019 \$'000
3.4A: Leases		
Lease Liabilities		
Property rent	54,246	-
Car parking	519	-
Total leases	54,765	-

Total cash outflow for leases for the year ended 30 June 2020 was \$6,488,722.61.

Accounting Policy

Refer Overview section for accounting policy on leases.

Appendix D: Annual financial statements (cont.)**Assets and Liabilities Administered on Behalf of the Government**

This section analyses assets used to conduct operations and the operating liabilities incurred. As a result, the Fair Work Commission does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1 Administered – Financial Assets

As at 30 June 2020, there were no administered financial assets that required disclosure (2019: nil).

4.2 Administered – Financial Liabilities

	2020 \$'000	2019 \$'000
4.2A: Provisions:		
Application fees liabilities	270	-
Total provisions	270	-

Accounting Policy

From 1 July 2019 on transition to AASB 15, the Fair Work Commission recognises application fees received as a liability in the Administered Schedule of Assets and Liabilities. After a matter has been closed and substantially performed by the Fair Work Commission (i.e. the Fair Work Commission has fulfilled its performance obligation), revenue will be recognised in the Administered Schedule of Comprehensive Income.

Funding

This section identifies the Fair Work Commission funding structure.

5.1 Appropriations

5.1A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2020

	Annual Appropriation ¹ \$'000	Adjustments to Appropriation ² \$'000	Total Appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	76,896	2,267	79,163	72,703	6,460
Capital Budget ⁴	2,375	-	2,375	1,333	1,042
Total departmental	79,271	2,267	81,538	74,036	7,502

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. PGPA Act Section 74 receipts.
3. The variance between total annual appropriation available and total appropriation applied in 2020 relates to unspent appropriations funded from current year appropriation items.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (Nos. 1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Appendix D: Annual financial statements (cont.)

Annual Appropriations for 2019

	Annual Appropriation ¹ \$'000	Adjustments to Appropriation ² \$'000	Total Appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	74,840	2,120	76,960	73,336	3,624
Capital Budget ⁴	2,372	-	2,372	1,381	991
Total departmental	77,212	2,120	79,332	74,717	4,615

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. PGPA Act Section 74 receipts.

3. The variance between total annual appropriation available and total appropriation applied in 2019 relates to unspent appropriations funded from current year appropriation items.

4. Departmental Capital Budgets are appropriated through Appropriation Acts (Nos. 1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

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

	2020 \$'000	2019 \$'000
Departmental		
Appropriation Act (No.1) 2018-19	-	34,478
Appropriation Act (No.1) 2019-20	7,620	-
Supply Act (No.1) 2019-20	30,460	-
Appropriation Act (No.1) – Capital Budget 2019-20	1,043	-
Supply Act (No.1) – Capital Budget 2019-20	990	-
Total departmental	40,113	34,478

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

Authority	Appropriation applied	
	2020 \$'000	2019 \$'000
<i>Public Governance, Performance and Accountability Act 2013 s.77, Administered</i>	(603)	(463)
Total special appropriations applied	(603)	(463)

5.1D: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Finance - to make payment to beneficiaries under the Judges Pension Scheme 2020 \$'000
2020	
Total Receipts	7,461
Total Payments	(7,461)
	Department of Finance - to make payment to beneficiaries under the Judges Pension Scheme 2019 \$'000
2019	
Total Receipts	7,285
Total Payments	(7,285)

Appendix D: Annual financial statements (cont.)**5.2 Net Cash Appropriation Arrangements**

	2020 \$'000	2019 \$'000
Total comprehensive loss less depreciation/amortisation expenses previously funded through revenue appropriations	(773)	(1,519)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	5,368	5,623
Plus: depreciation right-of-use assets	11,804	-
Less: principal repayments - leased assets	(6,489)	-
Total comprehensive loss - as per the Statement of Comprehensive Income	(11,456)	(7,142)

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses ceased. The Fair Work Commission now receives 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.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principle repayment amount reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1 Employee Provisions

	2020 \$'000	2019 \$'000
6.1A: Employee Provisions		
Leave	15,076	14,608
Separations and redundancies	78	-
Total employee provisions	15,154	14,608

6.1B: Administered – Employee Provisions

As at 30 June 2020, there were no administered employee provisions (2019: nil).

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave, long service leave and Judges Long 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 six months long leave after five 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 the 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 Redundancy

Provision is made for separation and redundancy benefit payments. The 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 the Fair Work Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

Appendix D: Annual financial statements (cont.)

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Fair Work Commission makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The 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 2020 represents outstanding contributions for the final fortnight of the year.

Judge's Pension

Members of the Fair Work Commission who are 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 the 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 5.1D).

6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Fair Work Commission has determined the key management personnel to be the Portfolio Minister, the President and the General Manager. Key management personnel remuneration is reported in the table below:

In 2019/20 the Fair Work Commission completed a reassessment of the composition of its key management personnel. The Portfolio Minister, President and the General Manager have been found to meet the criteria based on the responsibilities of their respective positions. In the prior year the Commission included four Executive Directors as key management personnel and confirmed that although these positions make operational decisions in their area of responsibility, they do not satisfy the definition per AASB 124 *Related Party Disclosures*. The 2018/19 comparative key management personnel remuneration has been restated in the table below. (Before restatement comparative short-term employee benefits were 1.088m, Post-Employment benefits 133k, Other long-term employee benefits 36k, and termination benefits 95k.)

The remuneration of the Portfolio Minister, the President and the General Manager are set by the Remuneration Tribunal.

	2020 \$'000	2019 \$'000
Short-term employee benefits	927	863
Post-employment benefits	25	25
Other long-term employee benefits ¹	62	60
Termination benefits	-	-
Total key management personnel remuneration expenses²	1,013	948

The total numbers of key management personnel that are included in the above table are 2 (2019: 2).

1. The President is eligible for a pension under the Judges' Pension Scheme (JPS) pursuant to the Judges' Pensions Act 1968. The Fair Work Commission does not contribute towards the cost of the JPS, which is an unfunded defined benefit scheme recorded in the Department of Finance Financial Statements. In accordance with PGPA (Financial Reporting) Rule 2015 paragraph 27 (1) the table below reflects only actual payments made by the Fair Work Commission.
2. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister as they are not paid by the Fair Work Commission.

Appendix D: Annual financial statements (cont.)**6.3 Related Party Disclosures****Related party relationships:**

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed (2019: nil).

Managing Uncertainties

This section analyses how the Fair Work Commission manages financial risks within its operating environment.

7.1: Contingent Assets and Liabilities

Quantifiable Contingencies

As at 30 June 2020, there were no quantifiable contingent liabilities or assets requiring disclosure (2019: nil).

Unquantifiable Contingencies

As at 30 June 2020, there were no unquantifiable contingent liabilities or assets requiring disclosure (2019: nil).

Quantifiable Administered Contingencies

As at 30 June 2020, there were no quantifiable contingent liabilities or assets requiring disclosure (2019: nil).

Unquantifiable Administered Contingencies

As at 30 June 2020, there were no unquantifiable contingent liabilities or assets requiring disclosure (2019: nil).

Appendix D: Annual financial statements (cont.)

7.2: Financial Instruments

	2020 \$'000	2019 \$'000
7.2A: Categories of Financial Instruments		
Financial Assets		
Financial Assets at amortised cost		
Cash and cash equivalents	559	719
Trade and other receivables	59	173
Total financial assets at amortised cost	618	892
Total financial assets	618	892
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	1,346	799
Total financial liabilities measured at amortised cost	1,346	799
Total financial liabilities	1,346	799

Accounting Policy**Financial assets**

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the Fair Work Commission classifies its financial assets in the category of financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

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

7.3: Administered – Financial Instruments

As at 30 June 2020, there were no administered financial instruments that required disclosure (2019: nil).

Appendix D: Annual financial statements (cont.)**7.4 Fair Value Measurement****Accounting Policy**

The fair value of non-financial assets has been taken to be the market value of similar assets. The agency's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use. The agency procured valuation services from Jones Lang LaSalle Public Sector Valuations Pty Ltd (JLLPSV) for the 2019-20 financial year and relied on valuation models provided by JLLPSV. JLLPSV has provided written assurance to the agency that the valuation models developed are in accordance with AASB 13.

7.4A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2020 \$'000	2019 \$'000
Non-financial assets ²		
Plant and Equipment ¹	2,012	2,880
Leasehold Improvements ¹	15,745	18,152
Total Non-financial assets	17,757	21,032

1. No non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2020 (2019: nil).
2. The 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 non-financial assets is considered their highest and best use.

7.5 Administered - Fair Value Measurement

	2020 \$'000	2019 \$'000
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As at 30 June 2020, there was no administered fair value measurement that required disclosure (2019: nil).

Other Information

8.1: Aggregate Assets and Liabilities

8.1A: Aggregate Assets and Liabilities	2020	2019
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months	41,737	41,865
More than 12 months	69,335	28,059
Total assets	111,072	69,924
Liabilities expected to be settled in:		
No more than 12 months	16,872	6,637
More than 12 months	55,189	24,875
Total liabilities	72,061	31,512
8.1B: Administered – Aggregate Assets and Liabilities		
	2020	2019
	\$'000	\$'000
Liabilities expected to be settled in:		
No more than 12 months	270	-
Total liabilities	270	-

Appendix E: Entity resources

Table E1: Fair Work Commission resource statement 2019–20

	Actual available appropriation for 2019-20 \$'000	Payments made 2019-20 \$'000	Balance remaining 2019-20 \$'000
	(a)	(b)	(a) - (b)
Departmental ¹			
Annual appropriation – ordinary annual services ²	114,308	74,195	40,113
Total departmental annual appropriations	114,308	74,195	40,113
Total departmental resourcing	114,308	74,195	40,113
Total resourcing and payments for Fair Work Commission	114,308	74,195	40,113

1 Appropriation Act (No. 1) 2019–20 and Supply Act (No. 1) 2019–20. This may also include prior-year departmental appropriation and section 74 external revenue.

2 Includes an amount of \$2.375 million in 2019–20 for the departmental capital budget. For accounting purposes, this amount has been designated as a 'contribution by owner'.

Table E2: Fair Work Commission expenses by outcomes 2019–20

	Budget ¹ 2019–20 \$'000	Actual expenses ² 2019–20 \$'000	Variation 2019–20 \$'000
	(a)	(b)	(a) - (b)
Expenses for Outcome 1			
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.			
<i>Program 1.1: Dispute resolution, minimum wage setting, orders and approval of agreements</i>			
Departmental expenses			
Departmental appropriation ³	79,300	80,268	(968)
Expenses not requiring appropriation in the budget year ⁴	6,462	17,345	(10,883)
Departmental total	85,762	97,613	(11,851)
Total expenses for Program 1.1	85,762	97,613	(11,851)
Outcome 1 totals by appropriation type			
Departmental expenses			
Departmental appropriation ³	79,300	80,268	(968)
Expenses not requiring appropriation in the budget year ⁴	6,462	17,345	(10,883)
Departmental total	85,762	97,613	(11,851)
Total expenses for Outcome 1	85,762	97,613	(11,851)
	2019–20	2019–20	Variation 2019–20
Average staffing level (number)	321	316	5

1 Full-year budget, including any subsequent adjustment made to the 2019–20 budget at Additional Estimates.

2 Expenses in this table are reported on an accrual basis.

3 Departmental appropriation contains ordinary annual services (Appropriation Act No. 1 and Supply Act No. 1) and retained revenue receipts under section 74 of the *PGPA Act 2013*.

4 Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses, and free of charges such as audit fees.

Appendix F: Other mandatory information

Work health and safety

The Commission has work health and safety management arrangements consistent with the *Work Health and Safety Act 2011* (WHS Act).

The arrangements set out a statement of commitment, a workplace health and safety policy, consultation arrangements, agreed employer and employee responsibilities, and work health and safety structures and arrangements. They also set out guidelines for workplace inspections, training and information, and emergency procedures.

Work Health and Safety Committee

The Commission has five work groups, eight health and safety representatives, and a national Work Health and Safety Committee.

Initiatives

In 2019–20, the Commission continued to promote work health and safety. During the year, the most significant workplace health and safety initiatives were:

- workstation assessments and, where needed, rehabilitation case management services, to meet the health, safety and rehabilitation needs of the workforce
- early intervention strategies, which included the provision of specialised equipment and advice to assist staff following injury
- influenza vaccination program, which was available to all staff
- healthy lifestyle initiatives, including subsidised yoga and pilates programs in some locations at lunchtime
- R U OK? Day, which was part of a broader initiative promoting a more connected community
- fortnightly publication of work, health and safety information and tips
- access to services through an employee assistance provider. Specialist and confidential support can be provided for a range of personal issues for individuals and work issues for people leaders.

The Commission closely monitors its compensation costs and internal rehabilitation programs against broader APS compensation costs and the increasing number of longer-term injuries and more complex claims.

In 2019–20 the Commission received one new compensation claim and does not have any ongoing claims. A total of 21 accidents or incidents involving employees or other parties were reported, compared with 18 in 2018–19.

During the year, the Commission has extended training to all client-facing staff to provide practical skills in assisting clients displaying signs of distress or at risk of self-harm. The training aims to equip staff and provide resources on how to best manage challenging interactions.

As well as training staff in our new policies relating to Sexual Harassment & Discrimination and Bullying & Inappropriate Behaviour, the Commission has begun work in conjunction with the Australian Human Rights Commission to train staff and Members on the nature, drivers and impacts of sexual harassment and inappropriate behaviour.

Work health and safety incident reporting

Under s.38 of the *Work Health and Safety Act 2011*, we are required to notify Comcare of any deaths, serious injury or illness, or dangerous incidents arising out of our work. There were no notifiable incidents reported to Comcare in 2019–20.

Under Schedule 2, Part 3 of the *Work Health and Safety Act 2011*, we are required to report on any investigations undertaken by Comcare or any notices we received under Part 10 of the *Work Health and Safety Act 2011*. There were no investigations conducted or notices received during 2019–20.

Advertising and market research

The Commission is required to disclose payments to advertising agencies and to market research, polling, direct mail and media advertising organisations. Payments of \$14,000 or less (including GST) are excluded, consistent with s.311A of the *Commonwealth Electoral Act 1918*. The Commission did not make any payments above the threshold in 2019–20.

Ecologically sustainable development and environmental performance

Australian Government agencies are required to report on their performance regarding the environment and ecologically sustainable development under s.516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

The Commission does not develop or administer legislation or policy relating to the environment but takes steps to ensure that it utilises energy resources as efficiently as practicable and maintains a healthy working environment for members of staff and the public.

Programs are in place for the recycling of paper, packaging, batteries, equipment, toner and other materials, and encouraging double-sided printing.

Sensor lighting is installed in hearing rooms, conference rooms, meeting rooms and offices. A timer mechanism automatically switches lighting off when rooms are not occupied.

Appendix F: Other mandatory information (cont.)

The Commission has continued to reduce its carbon footprint by utilising technology to conduct hearings and minimise travel.

The Commission ensures that new leases over a certain size have a green lease schedule attached to the lease. The Commission actively encourages its landlords to increase their National Australian Built Environment Rating System rating.



Appendix G: List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	1
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	3
17AJ(b)		Alphabetical index.	Mandatory	142–146
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	138–140
17AJ(d)		List of requirements.	Mandatory	131–137
17AJ(e)		Details of contact officer.	Mandatory	Inside Cover
17AJ(f)		Entity's website address.	Mandatory	Inside Cover
17AJ(g)		Electronic address of report.	Mandatory	Inside Cover
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	8–9
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	11
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	11–14
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	27
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	27
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority.	Mandatory	66
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority.	Mandatory	66
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	66

Appendix G: List of requirements (cont.)

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	N/A
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	N/A
17AD(c)	Report on the performance of the entity			
	<i>Annual performance statements</i>			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	25–36
17AD(c)(ii)	<i>Report on financial performance</i>			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	47
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	126–127
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.	N/A
17AD(d)	Management and accountability			
	<i>Corporate governance</i>			
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	39
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	39

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	39
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	39
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	38
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory	N/A
<i>Audit committee</i>				
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	38
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	39
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	39
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	39
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	39
<i>External scrutiny</i>				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	41
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	N/A

Appendix G: List of requirements (cont.)

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	N/A
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory	N/A
Management of human resources				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.		44
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory	45
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> ● Statistics on staffing classification level ● Statistics on full-time employees ● Statistics on part-time employees ● Statistics on gender ● Statistics on staff location ● Statistics on employees who identify as Indigenous. 	Mandatory	67–72
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	44
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	44, 45
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	74
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	45
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	N/A

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	N/A
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, mandatory	N/A
Assets management				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	N/A
Purchasing				
17AG(6)		An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	47
Consultants				
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	47
17AG(7)(b)		A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."</i>	Mandatory	47
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	47
17AG(7)(d)		A statement that <i>"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."</i>	Mandatory	48

Appendix G: List of requirements (cont.)

PGPA Rule Reference	Part of Report Description	Requirement	Page
Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	N/A
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	N/A
Small business			
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	48
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	48
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, mandatory	N/A
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	75–125

PGPA Rule Reference	Part of Report	Description	Requirement	Page
Executive remuneration				
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	73–74
Other mandatory information				
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, mandatory	N/A
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	49
17AH(1)(b)		A statement that <i>“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, mandatory	N/A
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	49
17AH(1)(d)		Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	49
17AH(1)(e)		Correction of material errors in previous annual report.	If applicable, mandatory	50
17AH(2)		Information required by other legislation.	Mandatory	128–130

Glossary

Annual performance statements	Statements prepared by the accountable authority of a Commonwealth entity in accordance with s.39 of the PGPA Act that acquit a Commonwealth entity's actual performance against planned performance described in the entity's corporate plan.
Applicant	The party who lodged an application with 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, where permitted by the Fair Work Act.
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.
Constitutional corporation	<p>Defined under the Fair Work Act as 'a corporation to which paragraph 51(xx) of the Constitution applies'.</p> <p>The Australian Constitution defines constitutional corporations as 'Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth'.</p>
Constitutionally-covered business	<p>A person conducting a business or undertaking, conducted principally in a territory or Commonwealth place, or where the person conducting the business or undertaking is:</p> <ul style="list-style-type: none"> • a constitutional corporation • the Commonwealth • a Commonwealth authority, or • a body corporate incorporated in a territory.
Corporate plan	A plan setting out the objectives, capabilities and intended results over a four-year period, in accordance with its stated purposes, required of Commonwealth entities under the PGPA Act.
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 Standards. 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.
<i>Fair Work Act 2009</i>	The principal Commonwealth law governing Australia's workplace relations system.
Fair Work Commission Rules	A legislative instrument made under the Fair Work Act setting out rules and procedural requirements for matters heard by the Commission.
<i>Fair Work (Registered Organisations) Act 2009</i>	Legislation regulating federally registered unions and employer organisations, including their registration and rules.
<i>Fair Work (Transitional Provisions and Consequential Amendments) Act 2009</i>	The legislation that governs transitional arrangements in connection with commencement of the Fair Work Act on 1 July 2009 and other related matters.
Full Bench	A Full Bench 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 and other matters specified in the Fair Work Act.
General protections	General workplace protections are specified in the Fair Work Act and include freedom of association; protection from discrimination and sham contracting; and the ability to exercise, or to not exercise, workplace rights.
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.
Key performance indicator	A type of performance measurement (based on qualitative or quantitative data) used in assessing the efficiency or effectiveness of activities in achieving purposes.
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.

Glossary (cont.)

Modern award	An award created by the Commission. Modern awards came into effect on 1 January 2010. Modern awards are expressed to cover entire industries and/or occupations, and include terms that complement the National Employment Standards. The Commission must ensure that, together with the standards, modern awards provide a fair and relevant minimum safety net.
National Employment Standards	A set of 10 minimum employment standards that came into effect on 1 January 2010 and apply to all employees within the federal system.
National minimum wage order	The order specifying a minimum wage for all national system employees, a casual loading for award-free and agreement-free employees, and special minimum wages for junior employees, trainees and employees with a disability.
Party	An applicant or a respondent to a proceeding before the Commission.
Portfolio budget statements	Statements that inform Parliament and the public of the proposed allocation of resources to government outcomes. They also assist the Senate standing committees with their examination of the government's Budget.
Protected action ballot	A secret ballot allowing employees who are 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 unions and employer associations formally register as industrial organisations under the Registered Organisations Act.
Respondent	A party to a matter who is responding to an application initiated by an applicant.
Right of entry	The legal right of union officials to enter business premises under certain conditions for purposes described in the Fair Work Act or the <i>Work Health and Safety Act 2011</i> .
Right of entry permit	A permit issued by the Commission to an official of a union under either the Fair Work Act or the <i>Work Health and Safety Act 2011</i> .

Acronyms and abbreviations

ACCI	Australian Chamber of Commerce and Industry
ALERA	Australian Labour and Employment Relations Association
APS	Australian Public Service
COAT	Council of Australasian Tribunals
Commission	Fair Work Commission
Fair Work Act (FWA)	<i>Fair Work Act 2009</i>
FOI Act	<i>Freedom of Information Act 1982</i>
FWC	Fair Work Commission
FWCFB	Fair Work Commission Full Bench
GST	Goods and Services Tax
ILO	International Labour Organization
IPS	Information Publication Scheme
IR	Industrial Relations
IRS	Industrial Relations Society
KPI	Key Performance Indicator
NES	National Employment Standards
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
Public Service Act	<i>Public Service Act 1999</i>
Registered Organisations Act (ROA)	<i>Fair Work (Registered Organisations) Act 2009</i>
SES	Senior Executive Service
SME	Small and Medium Enterprise
UNSW	University of New South Wales
WHS Act	<i>Work Health and Safety Act 2011</i>

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