

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 2 - Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ17-004098

Senator Cameron asked on 30 May 2017 on proof Hansard page 7

Question

Registered Organisations Commission – Negotiated issues and outcomes

Senator CAMERON: Are there any functions or activities that are affected as a consequence of the negotiation?

Ms O'Neill: There are a number of functions that remain the responsibility of the Fair Work Commission. There were some staff who were in the broader regulatory compliance branch who have remained with the Fair Work Commission. In doing the analysis of identifying the functions that transfer and then the people following those functions, it was relatively straightforward in most cases, but there were some marginal judgements that needed to be made about the staff that would remain and those that would transfer over.

Senator CAMERON: So is there an agreement document or an MOU or something that identifies what has been done?

Ms O'Neill: There certainly are documents that set out the negotiated outcome, if you like.

Senator CAMERON: Are they available?

Ms O'Neill: I do not have them. I can take that on notice.

Ms Parker: I think we would have something like that. It might even be that the department has that. We would have written down the numbers and so on.

Senator CAMERON: The outcome of the negotiations.

Ms Parker: It is not a formal, signed-off discussion, but we would have a fair bit of detail that we could give you.

Senator CAMERON: Could you then provide all the documentation that identifies the negotiation of the issues and the outcome of the negotiated issues?

Ms Parker: Yes, we could take that on notice. I am not sure how much is on file, but we will certainly get you what we can.

Answer

The Registered Organisations Commission (ROC) was established via a Machinery of Government change, whereby certain registered organisations functions were transferred from the Fair Work Commission to the Office of the Fair Work Ombudsman (ROC).

The ROC was consequently established on a cost neutral basis to Government, with funding and staff transferring from the Fair Work Commission to the Office of the Fair Work Ombudsman (ROC).

Mr Alan Greenslade, First Assistant Secretary, Department of Finance, made the determination to transfer the appropriation in accordance with section 75 of the *Public Governance, Performance and Accountability Act 2013*. The Determination is available on the Federal Register of Legislation.

The final funding and staff transfer between the Fair Work Commission and the Office of the Fair Work Ombudsman (ROC) is summarised below.

Registered Organisations Commission Funding					
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
ROC Funding	627	3,624	3,605	3,604	3,625
TURC Investigation Funding	1,600	2,885	2,204		
Total ROC Funding	2,227	6,509	5,809	3,604	3,625

The Fair Work Commission transferred \$6.7 million of the \$7.1 million, over the forward estimates, of funding related to the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO) measure 'Royal Commission into Trade Union Governance and Corruption – funding for investigations'. The remaining \$0.418 million had been utilised to fund investigations up to 1 May 2017.

The ROC funding reduces by \$2.2 million from 2019–20 as a result of the funding ceasing under the measure 'Royal Commission into Trade Union Governance and Corruption'.

Transferring staff members' base salaries, superannuation, long service leave and marginal on-costs and overheads and external costs were agreed and determined in line with the Machinery of Government change principles.

The total remuneration package for the Registered Organisations Commissioner was determined by the Remuneration Tribunal. The table below outlines the issues that were subject to negotiation and the outcome of those issues.

Issues that were negotiated	Outcome of the negotiated issues
Responsibility for funding the ROC Commissioner's remuneration and reunion fares allowance and accommodation allowance (totalling \$51,324).	The Fair Work Commission was responsible for the remuneration for the ROC Commissioner and reunion and accommodation allowance. The Fair Work Commission transferred \$6,000 to the Office of the Fair Work Ombudsman (ROC) in 2016-17 and \$36,000 in 2017-18 and each year across the forward estimates.
The amount of funding attributed to annual external costs (including legal costs, travel costs and general set-up costs).	The Fair Work Commission transferred \$0.4m to the Office of the Fair Work Ombudsman (ROC) as a recurring cost in 2017-18 and across the forward estimates.
Number of staff transferred to the Office of the Fair Work Ombudsman (ROC).	17.34 full time equivalent staff were transferred from the Fair Work Commission to the Office of the Fair Work Ombudsman (ROC) in line with the Machinery of Government change principle that staff follow the functions that are moved.

Negotiations were undertaken via meetings and discussions and no formal MOUs were entered into regarding the negotiated transfers. The final agreement is reflected in the Portfolio Budget Statements.