Fair Work Commission

Entity resources and planned performance

Fair Work Commission

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# Fair Work Commission

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Fair Work Commission was established by the *Fair Work Act 2009* (FW Act). The Commission is the independent national workplace relations tribunal responsible for administering provisions of the FW Act. The Commission also has responsibilities in relation to the registration, recognition and accountability of unions and employer organisations under the *Fair Work (Registered Organisations) Act 2009*.

The Fair Work Commission consists of a President, Vice Presidents, Deputy Presidents, Commissioners and Expert Panel Members. The Fair Work Commission also has a General Manager and administrative staff.

The Fair Work Commission has the power to make and vary awards, make minimum wage orders, approve agreements, resolve workplace and other disputes, determine unfair dismissal claims, deal with applications for orders to stop or prevent workplace bullying and make orders in relation to matters such as good faith bargaining and industrial action.

TheFair Work Commission is implementing initiatives aimed at further improving fairness and access to justice; accountability; innovation and efficiency; and productivity and engagement with industry. These initiatives are set out in the publication *Future Directions II,* which is available on the Commission’s website (www.fwc.gov.au).

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity’s operations) classification.

For more detailed information please refer to *Budget Paper No. 4—Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Fair Work Commission resource statement—Budget estimates for 2016–17 as at Budget May 2016



Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1. Appropriation Bill (No.1) 2016–17.
2. Estimated adjusted balance carried forward from previous year.
3. Estimated Retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner’.
5. Appropriation Bill (No.2) 2016–17.
6. Repayments not provided for under other appropriations. Amounts received on or before 30 June 2015 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.

### 1.3 Budget measures

Budget measures in Part 1 relating to the Fair Work Commission are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2016–17 Budget measures

Part 1: Measures announced since the 2015–16 Mid-Year Economic and Fiscal Outlook (MYEFO)



Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement



1. This measure was first published in the 2015–16 Budget.

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements—included in Annual Reports from October 2016—to provide an entity’s complete performance story.

### 2.1 Budgeted expenses and performance 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. |

##### Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1



1. Repayments not provided for under other appropriations. Amounts received on or before 30 June 2015 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.
2. Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

##### Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016–17 Budget measures have created new programs or materially changed existing programs.

| **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.** | |
| --- | --- |
| **Program 1.1—Dispute resolution, minimum wage setting, orders and approval of agreements**.  The Fair Work Commission exercises powers under the *Fair Work Act 2009* in accordance with the objects of the Act and in a manner that is fair and just; is quick, informal and avoids unnecessary technicalities. | |
| Purpose | The Fair Work Commission is Australia’s national workplace relations tribunal. The overarching purpose of the Fair Work Commission is to exercise powers and functions under legislation. The Commission is an independent body:   * providing a safety net of minimum conditions, including minimum wages, in awards * facilitating good faith bargaining and the making of enterprise agreements * granting remedies for unfair dismissal * regulating the taking of industrial action * resolving a range of collective and individual workplace disputes through conciliation, mediation and in some cases arbitration * functioning in connection with workplace determinations, equal remuneration, transfer of business, general workplace protections, right of entry and stand down. |
| Delivery | The Fair Work Commission’s deliverables are:   * promoting cooperative and productive workplace relations * resolving unfair dismissal claims * making stop orders to stop or prevent bullying at work * 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 * regulation of federally registered organisations of employers and employees. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Objective 1—The Fair Work Commission is accountable and transparent** | | | |
| **Performance information** | | |
| **Year** | **Performance criteria** (a) | **Targets** |
| 2015–16 | Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications | 34 days  Assessment: This performance target is expected to be achieved in 2015–16 | |
|  | Annual wage review to be completed to enable an operative date of 1 July | By 30 June  Assessment: This performance target is expected to be achieved in 2015–16 | |
|  | Improve or maintain the agreement approval time | 32 days  Assessment: This performance target is expected to be achieved in 2015–16 | |
| 2016–17 | As per 2015–16 | As per 2015–16 | |
| 2017–18 and beyond | As per 2015–16 | As per 2015–16 | |
| **Objective 2—The General Manager’s powers and functions are exercised in accordance with the Fair Work (Registered Organisations) Act 2009** | | | |
| **Performance information** | | |
| **Year** | **Performance criteria** (a) | **Targets** |
| 2015–16 | 95 per cent of financial reports required to be lodged under the *Fair Work (Registered Organisations) Act 2009* are assessed for compliance within 40 days | 95% within 40 days  Assessment: This performance target is on track for 2015–16 | |
| 2016–17 | As per 2015–16 | As per 2015–16 | |
| 2017–18 and beyond | As per 2015–16 | As per 2015–16 | |
| **Material changes to Program 1.1 resulting from the following measures:**  Material changes will result from the Road Safety Remuneration Tribunal—abolition measure. | | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016–17 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

The Fair Work Commission has nil differences to report.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

**Departmental financial statements**

The Fair Work Commission is budgeting for an operating deficit equal to the unappropriated depreciation and amortisation expense in 2016–17. Total revenues are estimated to be $78.5 million and total expenses $81.4 million.

Total assets at the end of the 2016–17 financial year are estimated to be $69.4 million. The majority of the assets represent receivables (appropriations receivable) and office fit outs. The Fair Work Commission is planning asset acquisition in the 2016–17 year primarily relating to information technology equipment, software and minor office accommodation costs.

Total liabilities for 2016–17 are estimated at $28.9 million. The largest liability item are accrued employee entitlements.

**Administered financial statements**

Administered revenues in 2016–17 for the refund of application fees are estimated to be $0.5 million, consistent with the 2015–16 estimated actual.

### 3.2.1 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June



Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements



1. From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)



\* Equity is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity—summary of movement (Budget year 2016–17)



Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016–17)



1. Appropriation equity refers to Appropriation Bill (No. 1) 2015–16 for depreciation/amortisation expenses, DCBs or other operational expenses and equity injections appropriations provided through Appropriation Bill (No. 2) 2015–16, including CDABs.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The Fair Work Commission has no administered assets and liabilities. For this reason Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (period ended 30 June)

The Fair Work Commission has no administered capital budget. For this reason Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year   
2016–17)

The Fair Work Commission has no administered assets and liabilities. For this reason Table 3.11 is not presented.