



# **Australian Government**

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## **Registered Organisations Commission**

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#### **REGULATOR PERFORMANCE FRAMEWORK**

1 July 2017 – 30 June 2018

## REGISTERED ORGANISATIONS COMMISSION

### REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

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REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

## Executive Summary

### Background

The Regulator Performance Framework is an important part of the Government's commitment to reducing the cost of unnecessary or inefficient regulation. The Framework encourages regulators to undertake functions and achieve objectives with the minimum impact on organisations by, among other things, measuring and publicly reporting performance. Six Key Performance Indicators (KPIs) were developed by the Government in 2014, against which regulators measure their performance annually.

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) provides for regulation of employee and employer organisations by the Registered Organisations Commission (ROC). The ROC was established on 1 May 2017. This is the ROC's first report against the RPF KPIs. The regulatory functions of the ROC were previously performed by the Fair Work Commission (FWC). In 2015–16 the FWC developed performance metrics to assess its performance against the RPF KPIs. When these regulatory functions were transferred from the FWC to the ROC, the ROC adopted the FWC's performance metrics. The ways in which the ROC measures itself against the KPIs are summarised in the table on page 7 below.

### Findings

#### **KPI 1–The ROC does not unnecessarily impede the efficient operation of regulated entities**

The ROC undertakes a number of activities to ensure that it does not unnecessarily impede the efficient operation of registered organisations. Firstly, it publishes information about organisations on its website and this information is updated on a daily basis. This reduces the requirement for contact and inquiries to be made directly to organisations by their members, the community, the media and other stakeholders. During the reporting period, there were over 43 000 accesses to the ROC web pages about registered organisations, demonstrating that the published information is extensively utilised by members of organisations and other stakeholders.

Secondly, the ROC ensures that newly elected holders of office understand their specific duties and reporting obligations by providing them with post-election advice and information. During the reporting period, post-election advice and information was provided to organisations on 132 occasions. Thirdly, the ROC consults with organisations by providing preliminary opinions of the decision maker prior to the making of formal decisions. During the reporting period, inefficient decision making was minimised by this type of consultation on 13 occasions.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**KPI 2–Communication with regulated entities is clear, targeted and effective**

The ROC's communication with registered organisations is clear, targeted and effective. The ROC considers the impact on organisations when updating its materials, by engaging with industry groups stakeholders, by seeking and responding to feedback and by co-ordinating its advisory communications with statutory timelines.

Voluntary survey responses confirm that the ROC's communication methods are effective, useful, helpful and transparent. In 2017-2018 the ROC provided 901 reminder notices about compliance requirements, and in response 100% of annual returns and 99% of financial reports were lodged on time. Further information regarding resources can be found on page 14.

**KPI 3–Actions undertaken by the ROC are proportionate to the regulatory risk being managed**

The ROC's actions are proportionate to the regulatory risk being managed. This is evidenced by a risk-based approach to regulatory functions, including the analysis of financial reports lodged by organisations. The ROC's risk-based approach involves conducting either primary or advanced reviews of all financial reports. A primary review means that the financial report has been assessed against a checklist that verifies key compliance criteria, while an advanced review involves the financial report being assessed against a comprehensive checklist relating to all compliance criteria. (see p. 16). The primary and advanced review checklists are published at [www.roc.gov.au](http://www.roc.gov.au).

Of the 372 financial reports lodged with the ROC in 2017–18, 32% were subject to an advanced review and 68% to a primary review.

It is also evidenced by the publication of compliance trends on its website. There were 3662 accesses to the compliance webpages in 2017–18, demonstrating that the information published is utilised widely by organisations and stakeholders. The way the ROC monitors and audits organisations is informed by data collected, as well as from the experience of ROC personnel in their engagement with organisations, and feedback from organisations, peak bodies, and participants of webinars and information sessions. For example, data collected by the ROC demonstrated that some officers of organisations had not undertaken financial governance training as required by the RO Act and as a consequence, an audit of governance training will be undertaken in 2018–19.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**KPI 4–Compliance and monitoring approaches are streamlined and coordinated**

The ROC's compliance and monitoring approaches are streamlined and coordinated. This is achieved by collaborating with other regulators. For example the ROC co-ordinates scheduled and regular meetings with other agencies involved in the RO Act whistle-blower regime to ensure a consistent and appropriate approach.

Streamlining and coordination is also achieved by ensuring that requests for information from organisations are coordinated with their known activities. For example, all reporting units were reminded of the requirement to lodge a financial report before the report was due. Four hundred and six reminder notices regarding financial reporting requirements and 93 reminders notices of elections were emailed before they were due. The ROC's election alert system was modified in response to feedback received. For example, the ROC's election template was updated to ensure that information is collected about proposed rule changes so as to minimise the risks of inefficient elections. The ROC's election templates are routinely modified in response to feedback received.

**KPI 5–The ROC is open and transparent in dealings with regulated entities**

The ROC is open and transparent in its dealings with organisations. Documents published by the ROC include its formal decisions, its policies and procedures, information about its inquiries and investigations, information about actions taken by and against it and its performance results. The ROC also publishes on its website a range of documents that organisations are required to lodge. As evidence about the level of satisfaction with the ROC's open and transparent approach, 86% of respondents to webinar surveys who had viewed the website reported that ROC's published materials are sufficiently transparent.

**KPI 6–The ROC actively contributes to the continuous improvement of regulatory frameworks**

The ROC actively contributes to the continuous improvement of regulatory frameworks. Model financial statements, checklists and other regulatory templates are published on the ROC's website. The publication of a range of templates increases the efficiency and effectiveness of the regulatory framework for registered organisations. Also information about compliance trends is published on the website. This encourages organisations to achieve high levels of voluntary compliance with their statutory obligations. The value of publishing this information is demonstrated by more than 3500 accesses to the webpage where this information is published.

In summary, the ROC has met each of the six Key Performance Indicators established under the Regulatory Performance Framework. See the summary table below.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

## Summary table

KPI	Measure	Status
<b>KPI 1</b> – The ROC does not unnecessarily impede the efficient operation of regulated entities	<b>1.1</b> Understands the operating environment and emerging issues	●
	<b>1.2</b> Tests potentially negative or unintended consequences	●
<b>KPI 2</b> – Communication with regulated entities is clear, targeted and effective	<b>2.1</b> Considers impact	●
	<b>2.2</b> Tailors communication	●
<b>KPI 3</b> – Actions undertaken by the ROC are proportionate to the regulatory risk being managed	<b>3.1</b> Takes a sound risk-based and proportionate approach	●
	<b>3.2</b> Collects, publishes and utilises compliance trend data	●
<b>KPI 4</b> – Compliance and monitoring approaches are streamlined and coordinated	<b>4.1</b> Coordinates requests with regulated entity activities	●
	<b>4.2</b> Minimises potential for unintended negative impacts	●
	<b>4.3</b> Streamlines compliance and monitoring processes	●
<b>KPI 5</b> – The ROC is open and transparent in dealings with regulated entities	<b>5.1</b> Publishes operations and activities	●
	<b>5.2</b> Publicises performance results	●
<b>KPI 6</b> – The ROC actively contributes to the continuous improvement of regulatory frameworks	<b>6.1</b> Improves the efficiency and effectiveness of regulatory framework	●
	<b>6.2</b> Shares information publicly	●

Key: ● = Met KPI



## REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**KPI 1: The ROC does not unnecessarily impede the efficient operation of regulated entities****Result for KPI 1**

KPI	Measure	Status
<b>KPI 1</b> – The ROC does not unnecessarily impede the efficient operation of regulated entities	<b>1.1</b> Understands the operating environment and emerging issues	●
	<b>1.2</b> Tests potentially negative or unintended consequences	●

The Registered Organisations Commission (ROC) undertakes a number of activities to ensure that it does not unnecessarily impede the efficient operation of registered organisations.

Firstly, it publishes information about organisations on its website and this information is updated on a daily basis. This reduces the requirement for contact and inquiries to be made directly to organisations by their members, the community, the media and other stakeholders. During the reporting period, there were over 43 000 accesses to the ROC web pages about registered organisations, demonstrating that the published information is extensively utilised by members of organisations and other stakeholders.

Secondly, the ROC ensures that newly elected holders of offices understand their specific duties and reporting obligations by providing them with post-election advice and information. During the reporting period, post-election advice and information was provided to organisations on 132 occasions.

Thirdly, the ROC consults with organisations by providing preliminary opinions of decision makers prior to formal decisions being made concerning regulatory functions. During the reporting period, inefficient decision making was minimised by this type of consultation on 13 occasions.

**Measure 1.1: Understanding the operating environment and emerging issues**

The ROC demonstrates an understanding of the operating environment of organisations and current emerging issues that affect those entities.

## REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

### Output/activity-based evidence 1.1.1: publishing information

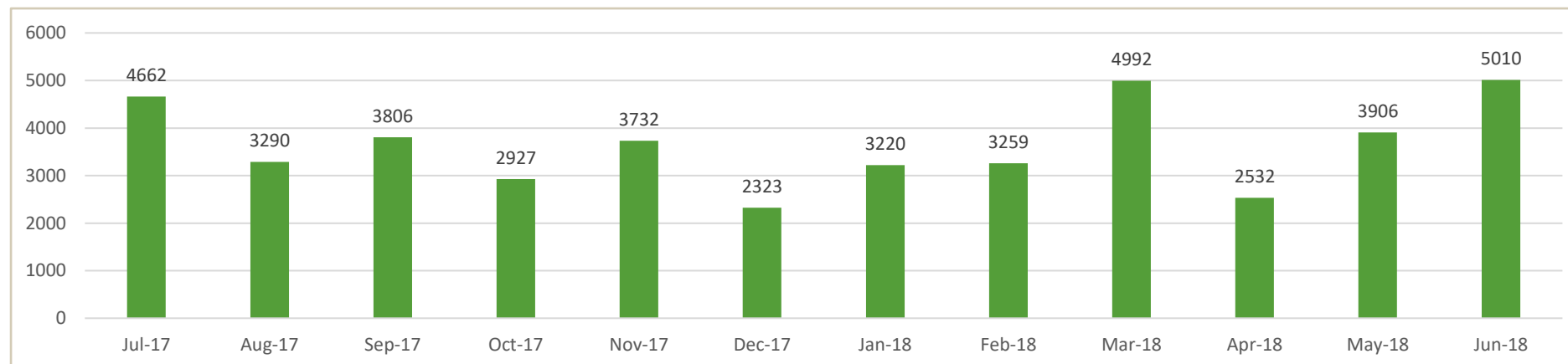
In order to provide the public and industry stakeholders with access to information and reduce the need for information to be sought from organisations, the ROC publishes and maintains a complete list of organisations, their office holders, annual returns and financial reports including the issues impacting them.

#### Self-assessment:

The ROC publishes a list of organisations, office holders, annual returns and financial reports:

- The list is updated daily to include changes and emerging issues
- The number of occasions access was sought to the organisations' pages on the ROC website was (n = 43 659). The number of monthly accesses is displayed in the chart below.

**CHART 1: NUMBER OF MONTHLY PAGE VIEWS OF ORGANISATIONS' PAGES ON THE ROC WEBSITE 2017–18**



The number of accesses as shown on the graph previously, demonstrates that these pages are of value to the public, with information about organisations regularly accessed. The peak periods reflect the peak reporting times – end of the financial year for most reporting units and the requirement to lodge the annual report by 31 March each year.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Output/activity-based evidence 1.1.2: provision of regulatory information**

To ensure new office holders understand reporting expectations, the ROC provides them with post-election regulatory information.

**Self-assessment:**

One hundred and thirty-two advices concerning requisite training and reporting responsibilities were provided to newly elected office holders to enhance their understanding and reduce approaches to the ROC.

**Measure 1.2: Tests potentially negative or unintended consequences**

The ROC considers and tests potentially negative or unintended consequences of formal decisions prior to those decisions being made.

**Output/activity-based evidence 1.2.1: test of formal decisions**

The ROC tests formal decisions with applicants prior to issuing where the decision has no relevant precedent and is above the ROC's risk threshold.

**KPI 2: Communication with regulated entities is clear, targeted and effective**

application. If an application has been identified as medium or high risk, it is above the ROC's risk-threshold. If there is no precedent to inform our decision in this circumstance, the ROC will consult with the organisation prior to issuing a decision. Thirteen consultations were undertaken with applicants prior to issuing formal decisions in the circumstances where the decision had no relevant precedent and it was above the ROC's risk threshold.

**Self-assessment:**

**Result for KPI 2**

## REGISTERED ORGANISATIONS COMMISSION

### REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

KPI	Measure	Status
KPI 2 – Communication with regulated entities is clear, targeted and effective	2.1 Considers impact	●
	2.2 Tailors communication	●

The ROC's communication with organisations is clear, targeted and effective. The ROC does this by:

- ensuring that it considers the impact on organisations when updating materials
- engaging with industry groups and stakeholders
- seeking and responding to feedback
- co-ordinating its advisory communications with the statutory timelines.

Survey responses confirm that:

- its communication methods are effective, useful, helpful and transparent.

Nine hundred and one reminder notices about compliance requirements were issued, and in response 100% of annual returns were lodged on time and 99% of financial reports were lodged on time.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

## Measure 2.1: Considers impact

The ROC considers the impact on organisations and engages with industry groups and representatives of the affected stakeholders about policies, practices or service standards.

### Output/activity-based evidence 2.1.1: impact considered when updating materials

The impact on organisations is considered when developing, updating or changing the ROC's suite of policies, procedures, and checklists which are available and accessible, with clear advice as to how to make complaints and provide feedback.

#### Self-assessment:

- Examples of engagement with industry groups and stakeholders:
  - The ROC met with representatives of registered organisations to discuss compliance on a one-to-one basis on 44 occasions
  - The ROC met with industry groups, such as the ACTU, the ACCI and the AiGroup regarding its education activities
  - The ROC met with training providers and industry groups regarding the development of new governance training packages
  - The ROC met with the Whistleblowers Information Network regarding appropriate handling of protected disclosures
  - The ROC presented at conferences of legal and industrial groups
  - The ROC met with industry representatives regarding the development of a new financial report required by the RO Act
  - The ROC attended and presented at the conference of a registered organisation.

### CASE STUDY: STAKEHOLDER ENGAGEMENT AND ACTION TAKEN

The ROC meets and consults on a regular basis with the ACTU, including to seek feedback about the ROC's education activities and focus. One consultation with the ACTU examined the idea of an induction kit for new office holders in registered organisations. Consequently the ROC developed and launched a web based, comprehensive Officers' Induction Kit in March 2018. The Officers' Induction Kit includes links to fact sheets about various duties and obligations of office holders, as well as activities such as learning about their organisation's meeting procedures. Feedback from organisations confirms that the Kit is a valuable tool.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

- Examples of feedback received and action taken as a result of that feedback:
  - In response to a survey of subscribers to its website, the ROC developed education campaigns directed towards topics identified in the survey, such as officer and related party disclosures and new corrupting benefits offences.
  - The ROC's policy regarding the delivery modes for governance training was changed in response to industry feedback so that more flexible modes of delivery were promoted
  - In response to feedback received, including from the ACTU, the ROC developed an Officer's Induction Kit and a web based Compliance Calculator designed to increase efficiency and reduce costs for all registered organisations
  - In response to feedback received from the Whistleblowers Network the ROC changed its processes when responding to protected disclosures by ensuring the express consent of the discloser is received before investigating the disclosure
  - In response to feedback regarding perceived lack of regulatory enforcement regarding the legislative obligation to notify the ROC of changes to records, the ROC developed and implemented an education campaign regarding this requirement
  - Two face-to-face information sessions were presented in response to feedback that organisations would be interested in these types of sessions
  - In response to feedback that organisations require practical examples of the legislative requirements regarding Corrupting Benefits and the Officer and Related Party disclosure requirements, the ROC facilitated panels of legal experts (including a panel of three eminent Senior Counsel) to unpack and discuss the provisions and respond to questions at information sessions conducted by the ROC
  - In response to feedback, the template Operating Report was improved and re-published on the ROC's website
  - In response to feedback, common misconceptions about notifications of changes were published in the ROC's May newsletter.

## Measure 2.2: Tailors communication

The ROC tailors its communication methodologies to meet the diverse requirements of organisations.

### Output/activity-based evidence 2.2.1: communication methods are published, available and accessible

The ROC's range of communication methods are published, available and accessible, with clear advice on how to make complaints and to provide feedback.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Self-assessment:**

The surveys that are provided after information sessions or after viewing webinars online for voluntary completion, are designed to help the ROC further improve its education materials. Standard questions involve the usefulness of the presentations, which topics were most helpful, what could be covered in future topics, and other suggestions for improvement. Our information sessions, with a total of 293 attendees, resulted in 101 (34%) surveys returned. Our webinars, with a total of 520 attendees, resulted in 210 (40%) surveys returned.

Survey responses pre and post education activities:

- 89% of respondents to webinar surveys agree that ROC webinars are an effective or very effective means of communication
- 90% of respondents to webinar surveys agree that existing ROC resources are helpful
- 99% of respondents to information session surveys agreed that the information session was informative or very informative.

**CHART 2: EFFECTIVENESS OF WEBINARS, RESOURCES AND INFORMATION SESSIONS 2017–18**



## REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

As demonstrated in chart 2, 90% of respondents state that our resources are effective, helpful, and informative. These respondents confirm that our templates, fact sheets, model financial statements, general information on the ROC website, and documents belonging to an organisation are the most helpful resources.

### Output/activity-based evidence 2.2.2: co-ordination of advisory communications

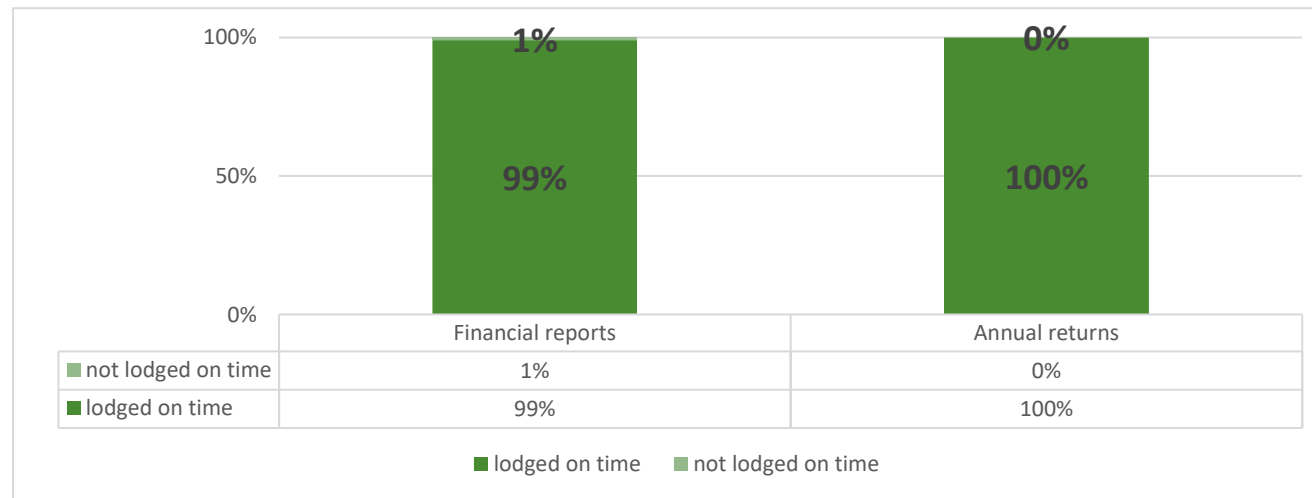
The ROC tailors and coordinates the timing of advisory communication prior to statutory requirements becoming due.

#### Self-assessment:

Count of reminder notices issued and the percentage of requirements lodged within statutory timeframes:

- 901 reminder notices were issued
- 99% of financial reports were lodged on time
- 100% of annual returns of information were lodged on time.

### CHART 3: FINANCIAL REPORTS AND ANNUAL RETURNS LODGED ON TIME 2017–18





### KPI 3: Actions undertaken by the ROC are proportionate to the regulatory risk being managed

#### Result for KPI 3

KPI	Measure	Status
KPI 3 – Actions undertaken by the ROC are proportionate to the regulatory risk being managed	3.1 Takes a sound risk-based and proportionate approach	●
	3.2 Collects, publishes and utilises compliance trend data	●

The ROC's actions are proportionate to the regulatory risk being managed. This is evidenced by:

- the ROC's risk-based approach to regulatory functions, including analysis of financial reports lodged by organisations. The ROC's risk-based approach involves conducting either primary or advanced reviews of all financial reports. Of the 372 financial reports lodged with the ROC in 2017–18, 32% were subject to an advanced review and 68% to a primary review. Refer to p.5 for the definitions of review. The checklists regarding primary and advanced reviews are available on the ROC website.
- the publication of compliance trends on its website: there were 3662 accesses to the compliance webpages in 2017–18, demonstrating that the information published is utilised widely by organisations and stakeholders
- the way the ROC monitors and audits organisations: this is informed by data collected, as well as from experience and feedback. For example, data collected by the ROC demonstrated that some officers of organisations had not undertaken financial governance training as required by the RO Act. As a consequence, an audit of governance training will be undertaken in 2018–19.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

### Measure 3.1: Risk-based approach

The ROC applies a sound risk based proportionate approach to the compliance & monitoring activities of organisations.

#### Output/activity-based evidence 3.1.1: risk and proportionality

The ROC's regulatory approach is based on risk and proportionality. Refer to p.10 for further information regarding risk assessment.

#### Self-assessment method:

The percentage of organisations subjected to primary or advanced financial audit based on identified risk:

- 372 financial reports lodged with the ROC
- 32% were subject to an advanced review
- 68% were subject to a primary review.

### Measure 3.2: Compliance trend data

The ROC collects, publishes and utilises compliance trend data to inform its audit strategy.

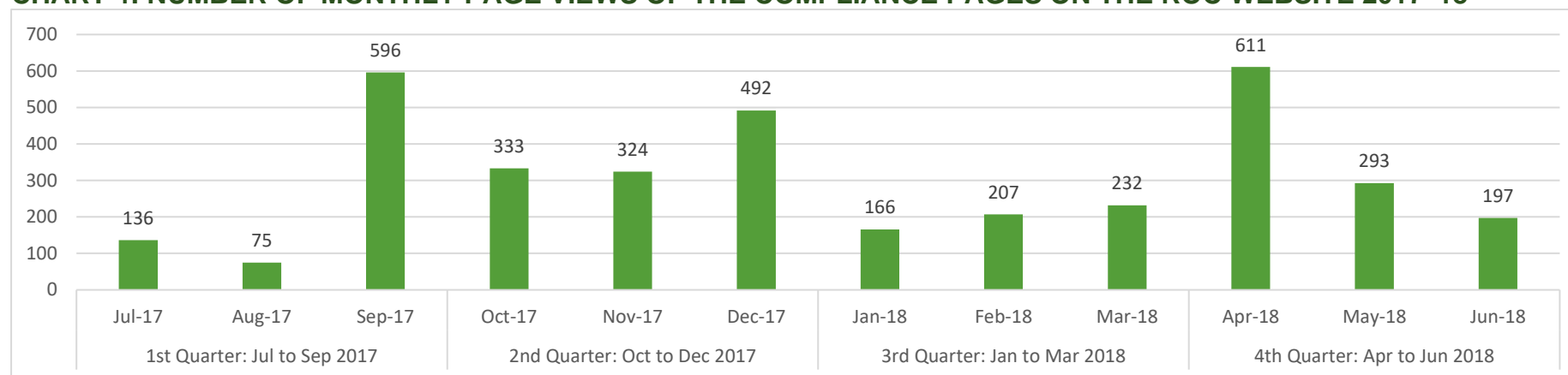
#### Output/activity-based evidence 3.2.1: collection and validation of compliance trends

Compliance trends and data are collected, analysed, validated for accuracy and published with clear advice on how to make complaints and to provide feedback.

#### Self-assessment method:

- Examples of published compliance trends and data:
  - compliance trends regarding the timeliness of lodging financial reports and the timeliness of lodging annual returns were published on the ROC's website
  - the quality of the contents of financial reports was measured against key compliance criteria in 2016–2017 and these results were published in the FWOROCE's annual report
- The ROC's compliance website was accessed 3662 times in 2017–18. The number of accesses per month is shown in the chart below:

## REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**CHART 4: NUMBER OF MONTHLY PAGE VIEWS OF THE COMPLIANCE PAGES ON THE ROC WEBSITE 2017–18**

In the chart above, there are various reasons for the increase in page views during particular months. For example in September 2017, new corrupting benefits laws were passed. Some of these peaks also appear to coincide with commencements and conclusions of inquiries and investigations related to larger organisations.

**Output/activity-based evidence 3.2.2: review of audit strategy**

The ROC's audit strategy is reviewed at 6 monthly intervals and changes made based on evidence collected, experience and feedback.

**Self-assessment method:**

Examples of changes that were made based on evidence collected, experience and feedback:

- The audit strategy was established in October 2017 and reviewed in June 2018. Examples of changes made include:
  - a review of financial reports suggested that auditor's reports do not always comply with requirements
    - change: assessment of auditor's reports were added to primary checklist and to criteria for measuring compliance
    - change: model auditor's report was included in model statements
  - experience suggested that a number of stakeholders are interested in whether organisations comply with obligations regarding statements of loans, grants and donations (LGD)

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- change: assessment of LGD statement added to primary checklist and to criteria for measuring compliance
- experience suggested that ROC personnel differed in their methods for dealing with compliance issues in annual reports
  - change: checklist updated and all relevant staff involved in its update and how to apply
- feedback suggested that obligations regarding timelines for notifications of change were not well understood
  - change: education campaign regarding notifications of change developed and implemented

#### CASE STUDY: NEW INITIATIVE FROM REVIEW OF AUDIT STRATEGY: AUDIT OF GOVERNANCE TRAINING

Data collected by the ROC suggests that some office holders have not undertaken the required financial governance training. As a consequence, the ROC has changed its audit strategy to plan for an audit of governance training in 2018-19.

## REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**KPI 4: Compliance and monitoring approaches are streamlined and coordinated****Result for KPI 4**

KPI	Measure	Status
KPI 4 – Compliance and monitoring approaches are streamlined and coordinated	4.1 Coordinates requests with regulated entity activities	●
	4.2 Minimises potential for unintended negative impacts	●
	4.3 Streamlines compliance and monitoring processes	●

The ROC's compliance and monitoring approaches are streamlined and coordinated. This is achieved by:

- ensuring that requests for information from organisations are coordinated with their known activities in order to reduce the regulatory burden. All reporting units were reminded of the requirement to lodge a financial report before the report was due; 406 reminder notices were issued regarding financial reporting requirements
- collaborating with industry regulators to minimise the potential for unintended negative impacts. One example is meeting with other regulators in the whistle-blowers scheme to ensure a consistent approach and seamless experiences for whistle-blowers. Another example is meeting with the FWC to ensure consistent advice is given to organisations about potential rule alterations which could cause compliance issues
- issuing 93 reminders notices of elections before the elections became due
- updating election templates to ensure that information is collected about proposed rule changes which have the potential to affect the election
- modifying election templates in response to feedback received.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

### Measure 4.1: Tailoring timing of requests for information

The ROC requests for information are tailored to coordinate with the timing of regulated entity activities.

#### Output/activity-based evidence 4.1.1: requests tailored to six different financial year endings

The ROC's requests for information are specifically tailored to coordinate with the six different financial year endings of the organisations.

##### Self-assessment method:

- Details of information requests are coordinated with the six different financial year endings:
  - within one month of end of each of the six different financial years, a courtesy letter was provided to all reporting units reminding them of the obligation to lodge a financial report
  - if a financial report was not lodged six weeks prior to the last possible date for lodgement, a second reminder letter was provided to relevant reporting units
  - one week prior to the last possible date for lodgement, telephone contact made with reporting units which had not lodged a financial report
  - two weeks after the last possible date of lodgement, intervention letters were provided to all reporting units which had not lodged a financial report.

The percentage of requests provided prior to financial reports becoming due:

- 100% of reporting units were sent advance notice in 2017–2018 which amounted to 406 financial reporting reminder notices being provided.

### Measure 4.2: Minimisation of unintended negative impacts

The ROC takes action to minimise the potential for unintended negative impacts on organisations.

#### Output/activity-based evidence 4.2.1: collaboration with relevant industry regulators

The ROC collaborates with relevant industry regulators prior to requests for information from organisations.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Self-assessment method:**

Examples of collaboration with relevant regulators:

- The ROC regularly collaborates with agencies involved in the RO Act whistle-blowers scheme (FWC, FWO, ACCC, ASIC, ABCC and AFP)
- The ROC collaborated with the AFP to provide cross-agency training for staff who deal with disclosures from whistle-blowers
- The ROC liaised with the FWC, ABCC, AFP, FWO and the Department of Jobs and Small Business regarding education materials to assist organisations to understand the new Corrupting Benefits legislative provisions
- The ROC and the FWC liaised regarding compliance issues in relation to specific organisations, in particular in relation to rule alterations proposed by the SDA, CCF, ASMOF, AEU, AMWU and the CFMMEU and their regulatory implications
- The Registered Organisations Commissioner presented at and attended the FWC's tribunal members' conference.

**CASE STUDY: COLLABORATING WITH REGULATORS**

The ROC is the lead agency for co-ordinating the regulatory approach to whistle-blower disclosures made under the RO Act and has facilitated relevant training to a range of Commonwealth agencies. The ROC meets regularly with agencies which have a role regulating whistle-blower disclosures under the RO Act, including the FWO, FWC, ABCC, ACCC and ASIC as well as with state and federal law enforcement agencies. The purpose of regular meetings is to ensure a consistent and an appropriately responsive approach, as well as to ensure a consistent message to organisations and potential disclosers about the steps involved and expected responses.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Measure 4.3: Systems to streamline compliance**

The ROC uses systems to streamline compliance and monitoring processes.

**Output/activity-based evidence 4.3.1: Advance notice of required elections**

The ROC provides advance notice of required elections for specific office holders.

**Self-assessment method:**

The ROC provided 93 reminders of required elections prior to the obligation to lodge prescribed information for an election became due.

**Output/activity-based evidence 4.3.2: review of election alert system**

The election alert system is reviewed on the basis of feed-back received.

**Self-assessment method:**

Examples of changes made to the election alert system on the basis of feed-back received:

- updating election templates to ensure that information is collected about proposed rule changes which have the potential to affect the election
- modifying election templates in response to feedback received.



## KPI 5: The ROC is open and transparent in its dealings with regulated entities

### Result for KPI 5

KPI	Measure	Status
KPI 5 – The ROC is open and transparent in dealings with regulated entities	5.1 Publishes operations and activities	●
	5.2 Publicises performance results	●

The ROC is open and transparent in its dealings with organisations. Documents published by the ROC include its formal decisions, its policies and procedures, information about its inquiries and investigations, information about actions taken by and against it and its performance results. The ROC also publishes a range of documents that organisations are required to lodge with it.

Eighty-six percent of respondents who attended webinar surveys, and who had viewed the website reported that ROC's published materials were sufficiently transparent.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

## Measure 5.1: Publication of operations and activities

The ROC demonstrates its transparency by extensively publishing its operations and activities.

### Output/activity-based evidence 5.1.1: publication of documents

The ROC publishes documents about itself as well as documents lodged with the ROC by organisations. .

#### Self-assessment method:

The ROC is open and transparent in its dealings with organisations. The ROC publishes on its website:

- formal decisions
- policies and procedures
- lists of current and previous investigations and inquiries
- its measures and its methods for self-assessing against the RPF KPIs on its website. This webpage was accessed 385 times in 2017-18.
- documents required to be lodged by organisations that any person is entitled to inspect under regulation 20 of the *Fair Work (Registered Organisations) Regulations 2009*.

The ROC publishes in its Annual Report:

- a summary of inquiries made and investigations conducted under Part 4 of the RO Act
- a summary of alleged contraventions of the RO Act and orders sought by the ROC under s.310(1)(a)) of the RO Act
- a summary of any legal actions taken against the ROC
- its timeliness in dealing with documents lodged with the ROC by organisations. The ROC surpassed all of its timeliness performance measures.

Eighty-six percent of respondents who attended webinar surveys and who had viewed the website reported that ROC's published materials were sufficiently transparent.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

CASE STUDY: PUBLICATION OF ACTIONS TAKEN AGAINST THE ROC

In its 2017-18 Annual Report the ROC published a summary of an action taken against it by The Australian Workers Union (AWU). On 20 October 2017 the ROC commenced an investigation into whether \$230 500 of donations to a range of political campaigns were properly authorised by the AWU. On Monday 23 October 2017 the ROC received information which gave rise to concerns that documents in the possession of the AWU may be being interfered with. On Tuesday 24 October 2017 the ROC applied to a magistrate and was granted search warrants to be executed by the Australian Federal Police. The AWU commenced court proceedings to quash the decision by the ROC to commence the investigation. The investigation is not being advanced while these proceedings continue.

## Measure 5.2: Publication of performance measurement results

The ROC takes action to publicise its performance measurement results.

### Output/activity-based evidence 5.2.1: timely publication of regulatory performance results

The ROC publishes its regulatory performance results in a timely manner to ensure accountability to the public.

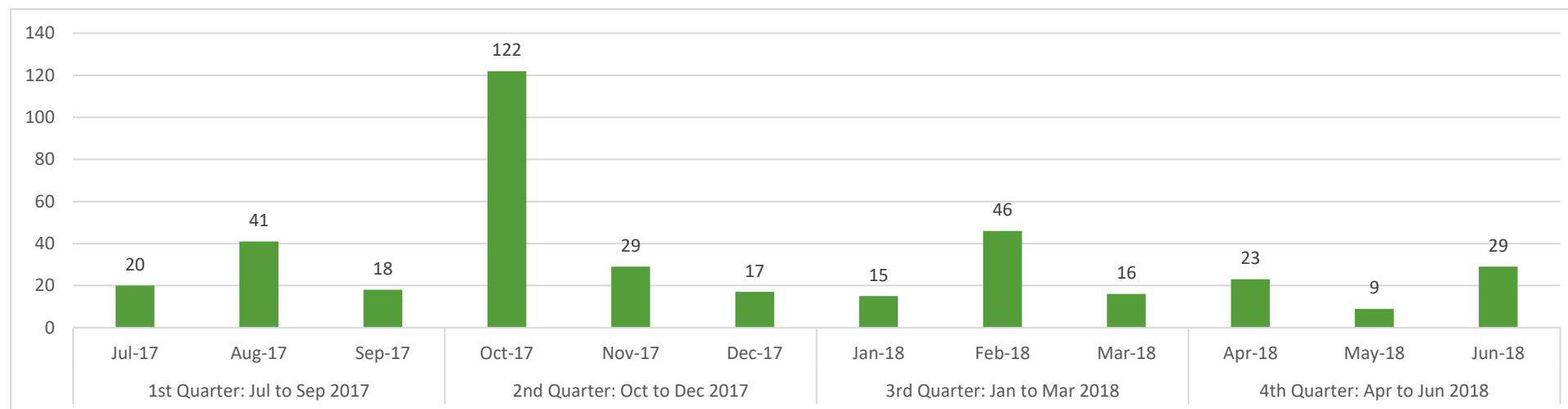
#### Self-assessment method:

The ROC publishes its measures and its methods for self-assessing against RPF KPIs on its website. This is the ROC's first year of reporting against the RPF KPIs and its performance results will be published when finalised.

The ROC's webpage where the RPF KPIs measures are published was accessed 385 times in 2017–18. The number of monthly accesses are detailed in the chart below:

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

CHART 5: NUMBER OF MONTHLY PAGE VIEWS OF PERFORMANCE RESULTS ON THE ROC WEBSITE 2017–18



The above graph is designed to show that people are using our website to monitor our performance. Instances such as the Oct-17 statistics help to show when the ROC is in the public eye, and when more people are interested in our activities. Consequently, having this information readily available to the public provides transparency and accountability as to our performance.

## KPI 6: The ROC actively contributes to the continuous improvement of regulatory frameworks

### Result for KPI 6

KPI	Measure	Status
KPI 6 – The ROC actively contributes to the continuous improvement of regulatory frameworks	6.1 Improves the efficiency and effectiveness of regulatory framework	●
	6.2 Shares information publicly	●

The ROC actively contributes to the continuous improvement of regulatory frameworks. The ROC does this by:

- publishing model financial statements, checklists and other regulatory templates. The publication of a range of templates increases the efficiency and effectiveness of the regulatory framework for registered organisations.
- regularly and publicly sharing information about compliance trends. This encourages organisations to endeavour to achieve high levels of voluntary compliance with their statutory obligations. The value of publishing this information is demonstrated by more than 3500 accesses to the webpage where this information is published.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Measure 6.1: Improving the efficiency and effectiveness of the regulatory framework**

The ROC improves the efficiency and effectiveness of the regulatory framework.

**Output/activity-based evidence 6.1.1: provision of templates and checklists**

The ROC provides model financial statements, checklists and other templates and tools designed to increase the efficiency and effectiveness of the regulatory framework.

**Self-assessment method:**

Details of model statements, checklists, tools and templates provided:

- fact sheets about compliance obligations are published on the ROC's website
- sample documents for the major compliance obligations, including model financial statements, sample prescribed information for an election, sample annual returns and sample notifications of changes are published
- checklists for lodging financial reports, prescribed information for elections and annual returns are published
- guidance notes for making applications or lodging documents with the ROC are published
- legislative summaries are published
- an officer induction kit was launched in 2018
- a compliance calculator was published in 2018
- a pictorial representation of the resources available on the ROC's website to registered organisations was published (the 'ROC flower').

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

Examples of feedback received about cost reduction achieved by using model statements and templates:

- 73% of respondents to webinar surveys agree that ROC's templates reduce costs, reduce time or help them to comply
- examples of feedback given at our information sessions include:
  - 'the compliance calendar [sic] looks really exciting and useful – thank-you'
  - 'tools and accessibility are topshelf'

CASE STUDY: NEW TOOLS TO INCREASE EFFICIENCY AND EFFECTIVENESS

The ROC released a number of new tools in 2017–18 which aim to increase the efficiency and effectiveness of the regulatory environment. For example a compliance calculator was released which enables organisations to calculate when regulatory requirements are due in accordance with their rules. User feedback received confirms that the calendar is useful, including it having been described as 'exciting'.

**Measure 6.2: Shares information about compliance trends**

The ROC publicly shares information about the compliance trends of all organisations to encourage entities to achieve high levels of compliance.

**Output/activity-based evidence 6.2.1: publication of compliance trends, data and issues**

The ROC publishes validated compliance trends, data and issues.

REGULATOR PERFORMANCE FRAMEWORK: MEASURES, OUTPUTS AND SELF-ASSESSMENT

**Self-assessment method:**

Details of published compliance trends, data and issues:

- information to assist organisations with compliance and trends regarding lodgement of financial reports and annual returns are published on ROC's website
- trends regarding lodgement of financial reports and annual returns in accordance with statutory timelines are published on our website
- compliance trends regarding the quality of financial report are published in FWOROCE's annual report.

The ROC's webpage that publishes compliance trends was access on 3662 occasions in 2017–18. The number of monthly accesses is detailed in Chart 4 on page 18 above.