



Terms of Reference – Registered Organisations Governance and Compliance External Review

Background

Schedule 1, Part 1 of the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (Secure Jobs Better Pay Act) provides for abolition of the Registered Organisations Commission and the transfer of the functions to the General Manager of the Fair Work Commission (Commission).

The relevant provisions of the Secure Jobs Better Pay Act commenced on 6 March 2023.

The new s.329A 'Functions of the General Manager' replaces the s.329AB 'Functions of the [Registered Organisations] Commissioner' in the *Fair Work (Registered Organisations) Act 2009* (RO Act). The new section 329A sets out the functions of the General Manager of the Commission in relation to federally registered employee and employer organisations (registered organisations).

The functions of the General Manager will be similar to those of the Registered Organisations Commissioner. However, the General Manager will have the additional function of seeking to embed a culture of good governance and voluntary compliance with the law within organisations.

Purpose of the independent reviewer

The Commission has engaged an independent reviewer to consult with registered organisations and their peak organisations to:

- identify service delivery enablers, tools or products which could assist them to develop and embed good governance cultures and promote the democratic functioning of registered organisations
- identify targeted opportunities to improve service delivery to organisations, including by enhancing efficiency and reducing regulatory burden through the digital lodgement of statutory obligations
- assist with the design and development of a contemporary and best practice compliance and enforcement policy, including establishing a framework and criterion for the use of the Commission's new compliance instruments (enforceable undertakings and infringement notices)
- assist with establishing the 2023-2025 education, advice and assistance strategy tailored to stakeholder priorities, and
- identify any barriers, including with the broader regulatory framework, to promoting best practice governance and the democratic functioning of registered organisations.

Specifically the functions transferred to the General Manager are to:

- embed a culture of good governance and voluntary compliance with the law within organisations,
- promote the efficient management of organisations and high standards of accountability of organisations and their office holders to their members;
- promote compliance with financial reporting and accountability requirements of the RO Act;
- monitor acts and practices to ensure they comply with the provisions of the RO Act, and
- provide for the democratic functioning and control of organisations.

Scale of review, reporting & timeframe

The independent reviewer will contact every registered organisation to invite them to assist with the review. Participation will include interviews, survey instruments and any other channel deemed appropriate by the reviewer.

This includes submission of a final written report on the reviewer's activities to the General Manager, followed by a presentation to the members of the Registered Organisations Transition Advisory Committee.