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Royal Commission readiness: Is your organisation ready?

South Australia and Victoria are currently grappling with significant Royal Commissions. While each inquiry has a different focus, they both underscore the same reality for business leaders: Royal Commissions increasingly scrutinise private organisations, industry participants, boards, executives and operational decision-makers.

For many organisations and individuals, their first contact with a Royal Commission comes through a notice to produce documents or information or a summons to attend and give evidence. By then, the opportunity to prepare has often passed.

The organisations that navigate Royal Commissions most effectively are usually those that have invested in carefully reviewing the terms of reference, assessing their potential application to their business or operations and then reflecting on their own readiness.

Understanding what a Royal Commission can do

Royal Commissions are among the most powerful forms of public inquiry in Australia. Commissioners can compel individuals to give evidence, produce documents and provide written statements or information. Failure to comply can have serious consequences.

They are not courts and do not determine liability or award compensation. However, they can make findings, recommendations and referrals to regulators, law enforcement and other authorities. Their reports frequently shape legislation, policies and future industry standards.

Royal Commissions: governance issues

Inquiries often examine broader systemic issues, including governance structures, decision-making processes, reporting lines, organisational culture, training and oversight. Individual incidents may be used as case studies because they illustrate wider problems.

Royal Commission readiness can sometime be less about preparing for a specific inquiry and more about understanding how your organisation would withstand scrutiny if one arose tomorrow.

One of the first strategic decisions organisations face is determining their approach to an inquiry.

Organisations may respond passively, act defensively by preparing for information requests and exposure early or engage proactively to help an inquiry understand broader industry issues. The right strategy depends on the circumstances, but waiting until an inquiry identifies your organisation is rarely the most effective option.

The critical role of information management

One of the greatest challenges is locating and producing documents within tight timeframes, particularly where information spans several years, business units, systems and personnel.

Every organisation should understand where key documents, emails, employee records, financial records and operational data are stored, retained, archived and how they are retrieved.

Many organisations discover during an inquiry that critical information sits across multiple systems, legacy platforms or individual employee records. By then, document production becomes significantly more costly and disruptive.

Policies matter more than you think

Policies and procedures quickly become central to an inquiry. Commissioners and Counsel Assisting will often consider what policies existed, whether staff knew and followed them, whether they were adequate and what changed after issues emerged.

Policy registers and version control are important because they help show not only what applies today, but what applied several years ago. Attention should be paid to whistleblower frameworks, codes of conduct, complaint management and incident reporting.

Identifying your high-risk areas

A useful readiness exercise is identifying potential issues before an inquiry does. This does not necessarily mean searching for wrongdoing, but understanding where historic decisions, incidents or governance arrangements could attract scrutiny.

Incident, complaints and risk registers can reveal themes involving significant incidents, regulatory investigations, workplace disputes, whistleblower allegations, major projects or areas where governance has changed over time.

Supporting your people

Royal Commissions can be highly stressful for employees and executives. Individuals may be asked to provide statements, respond to document requests at short notice or give evidence in public hearings, so witness preparation and staff support should not be left until the last minute.

A Practical Readiness Checklist

Businesses looking to improve readiness should consider:

- Determining their specific approach to public inquiries and investigations.
- Mapping where important information and records are stored.
- Reviewing retention, archiving and backup processes.
- Testing key governance, compliance, complaint and incident frameworks.
- Identifying high-risk incidents, projects or stakeholder interactions.
- Establishing support arrangements for executives and employees.

The businesses that manage inquiries most effectively are usually those that have carefully considered the terms of reference and adapted their preparation strategy accordingly. Typically this will involve understanding their records, trusting their governance systems, and being able to explain their decision-making and being confident in the integrity of their data.

Royal Commission readiness is not simply a legal exercise. It is a governance exercise and an increasingly important part of good corporate management.

Is your organisation Royal Commission ready?

Assessing readiness now can reduce risk and improve an organisation's ability to respond effectively. That means knowing where key information is stored, reviewing governance and reporting frameworks, identifying potential areas of scrutiny and ensuring appropriate policies are in place.

As governments increasingly use Royal Commissions and public inquiries to investigate complex economic, social and industry issues, organisations across all sectors should consider whether they are prepared for scrutiny.

If you would like to discuss your organisation's Royal Commission readiness, including governance, document management, investigation preparedness, witness preparation or response strategies, please contact **Tom Griffith**, Partner at Piper Alderman.

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