



Australian Government
Registered Organisations Commission

27 August 2019

Paul McCue
Branch President
Police Federation of Australia-Northern Territory Police Branch
Sent via email: reception@ntpa.com.au

Dear Paul McCue,

Section 271 application for certificate of exemption from the requirements of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the Act) (FR2019/58)

I refer to the application lodged pursuant to section 271(1) of the Act by the Police Federation of Australia-Northern Territory Police Branch (**the reporting unit**) for the financial year ended 30 June 2019. The application was lodged with the Registered Organisations Commission (**the ROC**) on 19 August 2019.

The application has been granted. The certificate is attached.

I make the following comments to assist you when you next prepare an application.

Reference to legislation

The first paragraph of the application refers to 's.271 of the *Fair Work Act* ("the Act")'. Please note that the relevant legislation that this application should refer to is the *Fair Work (Registered Organisations) Act 2009*.

Please ensure in future years that the application refers to correct legislation.

Declaration from auditor of the Associated Body

Correspondence was sent to the reporting unit on 2 August 2018 regarding the reporting unit's change of financial year (R2018/201). The timeframe relating to the then proposed rule change indicated that the financial years ending 30 June 2018 and 30 June 2019 would differ from that of the reporting unit's Associated Body, the Northern Territory Police Association. The ROC requested that a section 271 application for the abovementioned financial years would need to contain a declaration from the auditor of the Associated Body that the reporting unit did not have any financial affairs and that during these reporting periods, the Associated Body expended its economic resources and incurred financial obligations to ensure that the reporting unit could function. I acknowledge that this declaration was included with the lodged application on 19 August 2019.

The rule change relating to the reporting units new financial year was approved by the Fair Work Commission on 19 November 2018. For the period ending 30 April 2020 onwards, the financial year for the reporting unit will align with that of the Associated Body. I confirm that if it is the intention of the reporting unit to lodge an application for a section 271 certificate with the ROC for future financial years, there will be no requirement for the application to contain the abovementioned declaration from the auditor of the Associated Body.

If you wish to discuss this matter, please contact me on 1300 341 665 or by email at regorgs@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'CE', with a small dash at the end.

Chris Enright
Registered Organisations Commission



CERTIFICATE

Fair Work (Registered Organisations) Act 2009
s.271—Certificate of exemption from requirements of Chapter 8, Part 3

Police Federation of Australia-Northern Territory Police Branch
FR2019/58

MR ENRIGHT

MELBOURNE, 27 AUGUST 2019

*Certificate of exemption from the requirements of Part 3 of Chapter 8 of the Fair Work
(Registered Organisations) Act 2009*

[1] On 19 August 2019 an application was made under s.271(1) of the *Fair Work (Registered Organisations) Act 2009* by Police Federation of Australia-Northern Territory Police Branch for a certificate of exemption in respect of the financial year ended 30 June 2019.

[2] I am satisfied that the reporting unit did not have any financial affairs in respect of the financial year ended 30 June 2019.



DELEGATE OF THE COMMISSIONER

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NORTHERN TERRITORY
POLICE ASSOCIATION

Working together to protect our future



Police Federation
of Australia

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19 August 2019

Our Ref: 0107/19

Lodgement of Financial Report for Year Ended 30 June 2019
S.271 Fair Work (Registered Organisations) Act 2009 (the RO Act)
Request for Certificate of Exemption from Reporting Obligations

I, Paul Damien MCCUE, President of the Northern Territory Police Branch of the Police Federation of Australia, an authorised officer under the Rules to act on behalf of the Branch and in consideration of s.271 of the *Fair Work Act* ("the Act") hereby apply for a Certificate to exempt the Branch from the requirements of the Act relating to financial matters occurring in the year ended 30 June 2019.

I make the following statements in support of the request for the Certificate of Exemption:

1. The Branch does not expend economic resources or incur any financial obligations to conduct its activities and does not carry out any trade or engage in any financial transactions of any kind;
2. The Branch does not have an account with a bank or any other financial institution nor does it have custody of any real property, moneys or other assets;
3. The Branch accordingly has no reason to keep accounting records;
4. The reason that the Branch does not trade or engage in financial transactions is because of the relationship between the Branch and another body corporate known as the Northern Territory Police Association (the "Associated Body"), referred to in Rules 6 and 6A and the membership application form at Annexure "A" of the Rules of the Police Federation of Australia ("the Rules").
5. The Associated Body was incorporated on 22 October 1979.

Northern Territory Police Association

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6. The Branch was not formed until 31 December 1997 when the Police Federation of Australia was registered as an organisation.
7. The Associated Body expends economic resources and incurs financial obligations, including the collection of membership fees, the payment of accounts for expenses incurred in carrying out regular business (such as the production of a journal), operates a bank account, has leased and/or owned property and office machinery and employs and pays wages of employees.
8. The Membership of the Branch and the Associated Body are identical and indistinguishable. No member of the Branch is ineligible for membership of the Associated Body. No prospective member has applied to be a member of the Branch and not also a member of the Associated Body.
9. The only financial concern of the Branch relates to the payment of capitation fees by the Branch to the Federal Fund pursuant to Rule 7 of the Rules but this is paid by the Associated Body in accordance with Rule 7A of the Rules.
10. The Branch in all other aspects carries out its functions as set out in the Objects of the Federation (Rule 4). In particular, the Officers of the Associated Body are the officers elected by the Branch in accordance with the Branch Rules and the Federal Rules. The Branch Executive meets monthly other than in January of each year and regulates the affairs of the Branch in a thorough and consistent manner.

As requested in the Registered Organisations Commission's correspondence of 2 August 2018 (R2018/201), we have also attached a declaration from our Associated Body's auditor, Basso Newman Audit Pty Ltd, confirming that the Northern Territory Branch of the Police Federation of Australia did not have any financial affairs for the financial year commencing 1 July 2018 to 30 June 2019 and that the Associated Body did expend its economic resources to ensure that the Northern Territory Branch of the Police Federation of Australia could function.

In addition, as the current financial year 1 July 2019 – 30 April 2020 (the transition year) of the Northern Territory Branch of the Police Federation of Australia now aligns with the financial year of the Associated Body, we would appreciate confirmation if a declaration from our Associated Body's auditor will be required for our 2020 request for certificate exemption from financial reporting obligations.

Please do not hesitate to contact me should you have any queries in relation to this application.

Yours Sincerely



Paul McCue
President

TAB:NTP02.roc

17 August 2019

Registered Organisations Commission

Dear Sirs,

We act as auditors of Northern Territory Police Association Inc. In accordance with the application for exemption from financial reporting obligations for the financial year ended 30 June 2019 by the Northern Territory Police Branch of the Police Federation of Australia we confirm the following:

1. The Branch does not expend economic resources or incur any financial obligations to conduct its activities and does not carry out any trade or engage in any financial transactions of any kind;
2. The reason that the Branch does not trade or engage in financial transactions is because of the relationship between the Branch and another body corporate known as the Northern Territory Police Association (the "Associated Body"), referred to in Rules 6 and 6A and the membership application form at Annexure "A" of the Rules of the Police Federation of Australia ("the Rules").
3. The Associated Body expends economic resources and incurs financial obligations, including the collection of membership fees, the payment of accounts for expenses incurred in carrying out regular business (such as the production of a journal), operates a bank account, has leased and/or owned property and office machinery and employs and pays wages of employees.

Yours faithfully



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3 July 2019

Paul McCue
Branch President
Police Federation of Australia-Northern Territory Police Branch
Sent via email: reception@ntpa.com.au

Dear Paul McCue,

**Re: Lodgement of Financial Report - FR2019/58
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Police Federation of Australia-Northern Territory Police Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members at least 21 days before the General Meeting



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**



STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (2nd meeting)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
✘ The Committee of Management statement is just copied from the Reporting Guidelines	✔ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
✘ The Auditor's Report does not need to be signed until just before it is lodged with the ROC	✔ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
✘ The Designated Officer's Certificate must be signed before the report is sent to members	✔ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
✘ Documents can be dated when they should have been signed or when the events in the document occurred	✔ Documents must always be dated at the date they are actually signed by an officer or auditor
✘ Any auditor can audit a financial report	✔ Only registered auditors can audit the financial report
✘ The Committee of Management statement can be signed at any time	✔ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
✘ Any reporting unit can present the Full Report to a second COM meeting	✔ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
✘ Everything can be done at one Committee of Management meeting	✔ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
✘ The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	✔ The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au