



Fact sheet

Reporting Guidelines – guidance about reporting requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*

The Reporting Guidelines Requirements

Section 255 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) requires the Registered Organisations Commissioner (**the Commissioner**) to issue reporting guidelines for the purposes of sections 253 and 270. The Commissioner's reporting guidelines are a legislative instrument.

New requirement under subsection 255(2A)

The amendments to the RO Act which came into effect on 2 May 2017 inserted subsection 255(2A) which states:

The reporting guidelines for the purposes of section 253 and 270 must require a report that shows the total expenditure incurred by reporting units during the financial year in relation to each of the following:

- (a) remuneration, and other employment-related costs and expenses, in respect of employees;
- (b) advertising;
- (c) operating costs;
- (d) donations to political parties;
- (e) legal costs.

Note: The total expenditure may be shown in diagrammatic form, such as a pie chart.

The *Fair Work (Registered Organisations) (Transitional Provisions) Rules 2017*, Part 3 section 10 states that:

The amendment of section 255 of the Act made by item 89 of Schedule 2 to the amending Act (inserting subsection (2A)) applies in relation to reporting guidelines for financial years beginning on or after 1 July 2017.

Implementation of subsection 255(2A)

This fact sheet provides guidance on the potential items of expenditure included in categories (a) – (e) inclusive in subsection 255(2A). It is recommended that reporting units seek advice from accounting and legal professionals to ensure compliance in accordance with their individual circumstances.

Remuneration and other employment-related costs and expenses - employees

Remuneration includes such things as wages, salaries, superannuation, annual leave, long service leave, termination benefits, bonuses and non-monetary benefits such as medical care, housing, vehicles and free or subsidised goods or services in respect of elected officials and employees of the reporting unit.

The Australian Accounting Standards *AASB 119 Employee Benefits* and *AASB 124 Related Party Disclosures* provide definitions on compensation/remuneration and employee benefits.

Advertising

Advertising expenses are costs incurred by a reporting unit associated with the promotion of a product, service or idea. Advertising costs include paid advertising space in print or online, broadcast and/or radio and direct mail advertising. It is not anticipated that the cost associated with publication of an in-house journal or similar for members would fall within this category.

Operating costs

Operating costs are expenses associated with running a reporting unit's core operations on a daily basis. While operating costs generally do not include capital outlays (such as for example purchasing computers), they include many of the elements involved in the operation of a reporting unit such as, accounting fees, bank charges, travel expenses, telephone and internet charges, office supply costs, rent, repair and maintenance costs and utility expenses.

Note: There will likely be some other costs incurred by the reporting unit which do not fall within 'operating costs' such as interest expenses on a loan, depreciation or loss on the sale of assets. Accordingly these do not need to be included in this report and therefore the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Donations to political parties

A donation is the voluntary transfer of property by a physical or legal person to another person without any consideration or with inadequate consideration. A donation may be either a cash offering or non-cash offering. Examples of a non-cash donation include the receipt of an asset or service, discounts other than in the normal course of business, staff being assigned to work within a political office or on a political campaign, undertaking photocopying or printing, and excessive payments for goods or services.

A political party is a political party registered with the Australian Electoral Commission, or any state or territory branch of a federally registered political party.

Legal costs

Legal costs include expenditure on all legal matters such as for example, drawing up contracts, litigation, legal practitioner fees and other court costs. The costs associated with in-house legal personnel would only be included in this category if those costs have not been reported under remuneration and other employment-related costs and expenses for employees.

Presentation of required information under subsection 255(2A)

Subsection 255(2A) provides a discretion to the reporting unit about how to report the required information. It is a matter for the reporting unit to determine whether the required information is presented in diagrammatic form such as, for example, a pie chart or whether it is reported in a descriptive form. Regardless, the reporting unit is only required to report the information in one format.

Note: This is a separate report and does not form part of the Notes to the financial statements. However as per subsection 253(2)(c) of the RO Act, this report will form part of the general purpose financial report and therefore will be included in the audit scope and subsequently audited.

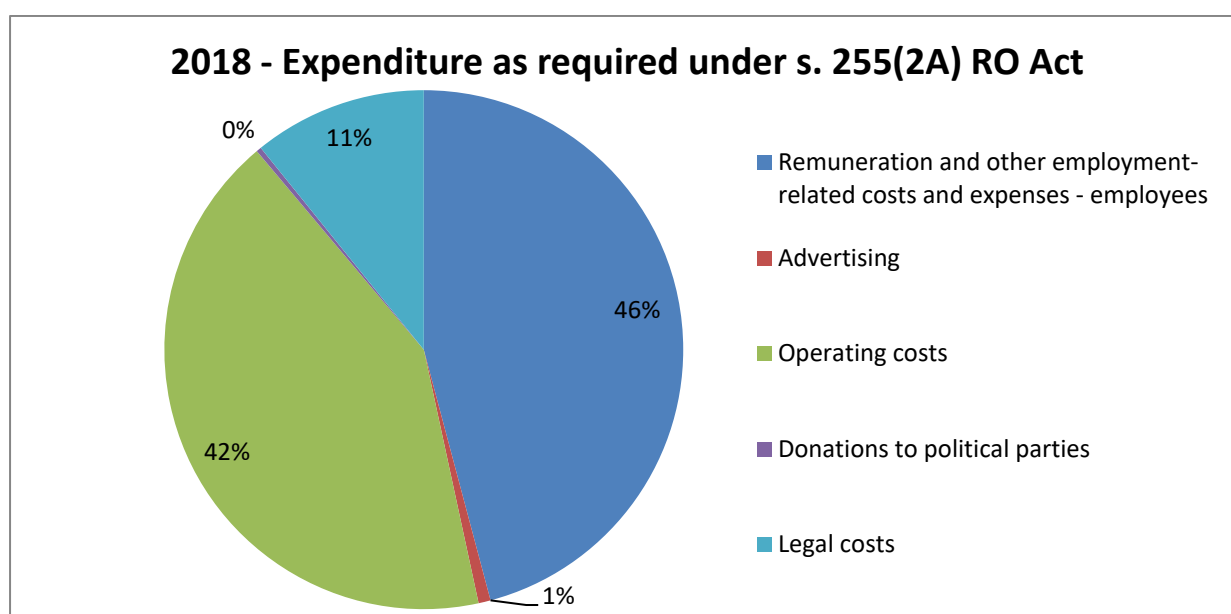
Examples of how this information could be presented are provided below.

Descriptive form

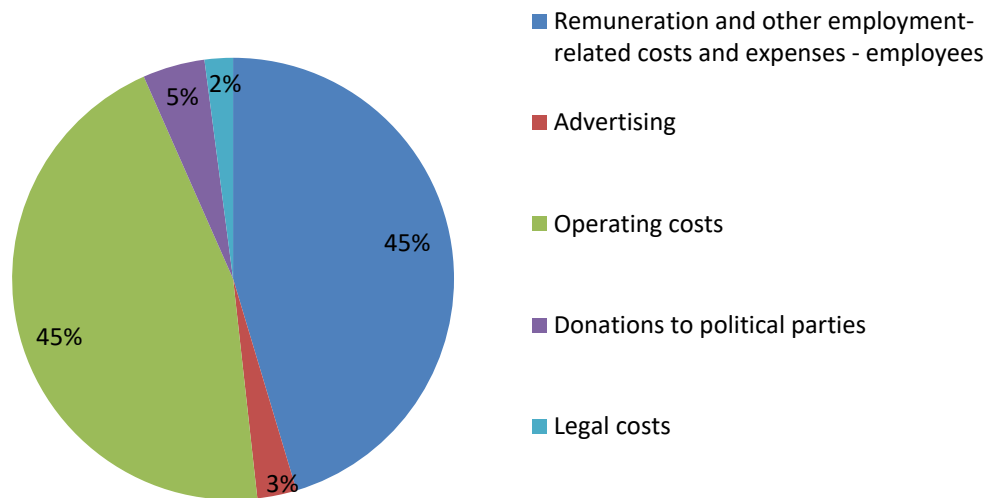
Categories of expenditure	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses – employees	1,450,350	1,495,222
Advertising	23,790	95,000
Operating costs	1,336,486	1,487,642
Donations to political parties	10,000	150,000
Legal costs	342,090	68,258

OR

Diagrammatic form



2017 - Expenditure as required under s. 255(2A) RO Act



Further information

If you have any questions relating to the Commissioner's reporting guidelines, please contact the ROC on regorgs@roc.gov.au

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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.