Determination of reporting guidelines for the purposes of section 253 of RAO Schedule

Application
1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996 (the Act).

2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).

3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

Operative Date
4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 July 2003.

Purpose of Reporting Guidelines
5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.

6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.

7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.
General Requirements for Presentation and Disclosures in GPFR

8. The reporting unit must disclose in the notes to the financial statements:
   (a) where the reporting unit is dependent on another reporting unit of the organisation for a
       significant volume of revenue or financial support and that dependency is not clearly
data discernible from a separate line item in the profit and loss statement or the balance sheet:
       (i) the name of the reporting unit on which there is an economic dependency; and
       (ii) the amount of revenue or financial support derived from the other reporting unit;
   (b) information for the preceding corresponding financial year which corresponds to the
       disclosures specified for the current financial year must be disclosed, except where, in
       respect of the financial year to which these reporting guidelines are first applied,
       corresponding information was not required under the Act or the Workplace Relations
       Regulations or a superseded version of these reporting guidelines; and
   (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to
       subsections (1), (2) and (3) of section 272 and setting out those subsections.

9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
   (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation
       was the amalgamated organisation; or
   (b) a restructure of the branches of the organisation; or
   (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of
       an alternative reporting structure for the organisation; or
   (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a
       certificate issued to an organisation under subsection 245(1),
   the reporting unit must disclose in the notes to the financial statements in respect of each such
   asset or class of assets or each such liability or class of liabilities:
   (e) date acquired;
   (f) description; and
   (g) name of the entity (including a reporting unit of the organisation or that of another
       organisation) from which it was acquired.

Profit and Loss Statement

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes
    to the financial statements unless already disclosed on the face of the profit and loss statement in
    accordance with Australian Accounting Standards:
    (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership
        subscriptions) in respect of membership of the organisation;
    (b) where under the rules of the organisation or a branch of the organisation a reporting unit
        may receive from another reporting unit of the organisation as a contribution towards the
        general administrative expenses of the reporting unit a proportion of the total amount
        received by the other reporting unit as entrance fees or membership subscriptions - the
        amount and the name in respect of each such reporting unit;
    (c) where the circumstances specified in subparagraph (b) apply in relation to more than one
        other reporting unit of the organisation - the aggregate amount for all such reporting units;
    (d) compulsory levies raised from the members or as appeals for voluntary contributions for the
        furtherance of particular purposes - the amount and a brief description of the purpose of
        each such levy or appeal; and
(e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).

11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

(a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;

(b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;

(c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;

(d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;

(e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);

(f) grants or donations;

(g) employee benefits to holders of office of the reporting unit;

(h) employee benefits to employees (other than holders of offices) of the reporting unit;

(i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;

(j) legal costs and other expenses related to litigation or other legal matters;

(k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and

(l) penalties imposed on the reporting unit under the Act or Regulations.

12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

(a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and

(b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

**Balance Sheet**

13. Where an item is disclosed on the face of the balance sheet as:

(a) a receivable or other right to receive cash; or
(b) a payable or other financial liability; and
(c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,

the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:
(d) name of the other reporting unit; and
(e) cost or value attributable to the other reporting unit.

14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

**Liabilities**

(a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
(b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
(c) employee benefits in respect of holders of offices in the reporting unit;
(d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

**Equity**

(e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
(f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
(g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
(h) the balance of the general fund.

**Statement of Cash Flows**

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

**Committee of Management Statement**

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.

17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:
(a) the financial statements and notes comply with the Australian Accounting Standards;
(b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:
   (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
   (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
   (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
   (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
   (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
   (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:
   (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
   (b) specify the date of passage of the resolution;
   (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
   (d) be dated as at the date the designated officer signs the statement.
Glossary of Terms

19. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

amalgamated organisation has the meaning provided in section 35 of the RAO Schedule.

assets are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

cash flows means cash movements resulting from transactions with parties external to the reporting unit.

designated officer is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

employee benefits means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

entity means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

equity means the residual interest in the assets of the reporting unit after deduction of its liabilities.

financial liability includes an obligation to deliver cash to another entity.

financial records to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

financial statements comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

financial year in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

general administrative expenses includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

general fund means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

general purpose financial report has the meaning set out in subsection 253(2) of the RAO Schedule.

grant or donation is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

liabilities are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

membership subscriptions means periodic subscriptions in respect of membership of the organisation.

notes to the financial statements comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).
organisation means an organisation registered under the RAO Schedule.

payables are amounts owed by the reporting unit to other entities for goods or services delivered.

RAO Schedule means Schedule 1B to the Workplace Relations Act 1996.

RAO Regulations means the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003.

receivables are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

reporting unit has the meaning set out in section 242 of the RAO Schedule.

rules of an organisation are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

Dated: 20th June 2003

Nicholas Wilson
Industrial Registrar