



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 General Manager of the Fair Work Commission to issue reporting guidelines for the purposes of sections 253 (reporting unit to prepare general purpose financial report) and 270 (organisations with income of less than certain amount). The General Manager's reporting guidelines are a legislative instrument.

Requirement under subsection 255(2A)

Subsection 255(2A) of the RO Act 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.



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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 items such as wages, salaries, superannuation, annual leave, long service leave, termination benefits, bonuses and non-monetary benefits like 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 spaces in print or online, television or radio broadcast and/or 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 the daily running of a reporting unit's core operations. While operating costs generally do not include capital outlays (for example, such as purchasing computers), they include many of the elements involved in the reporting unit's operation such as accounting fees, bank charges,



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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 non-cash donations 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 (AEC), or any state or territory branch of a federally registered political party.

Legal costs

Legal costs include expenditure on all legal matters. Examples include 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 – for example as 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.



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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.

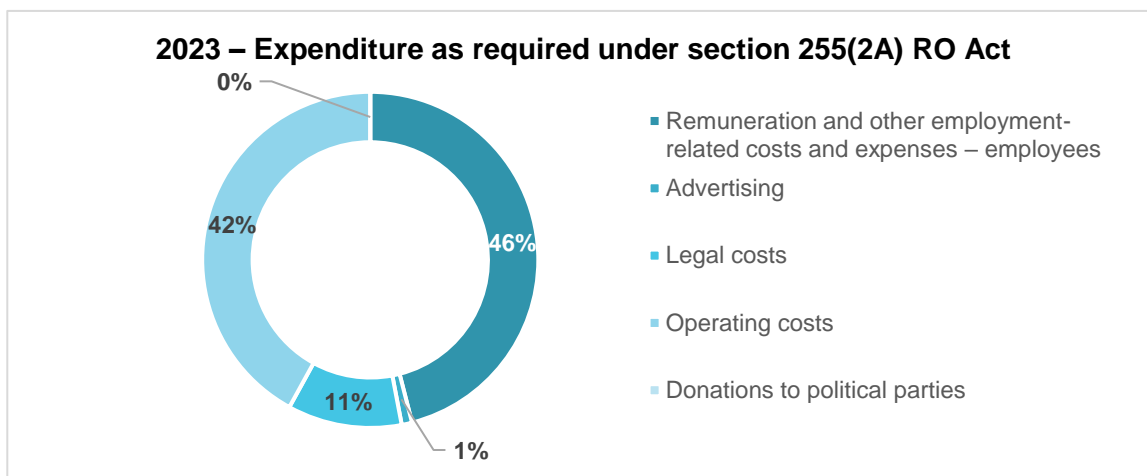
Examples of how this information could be presented are provided below.

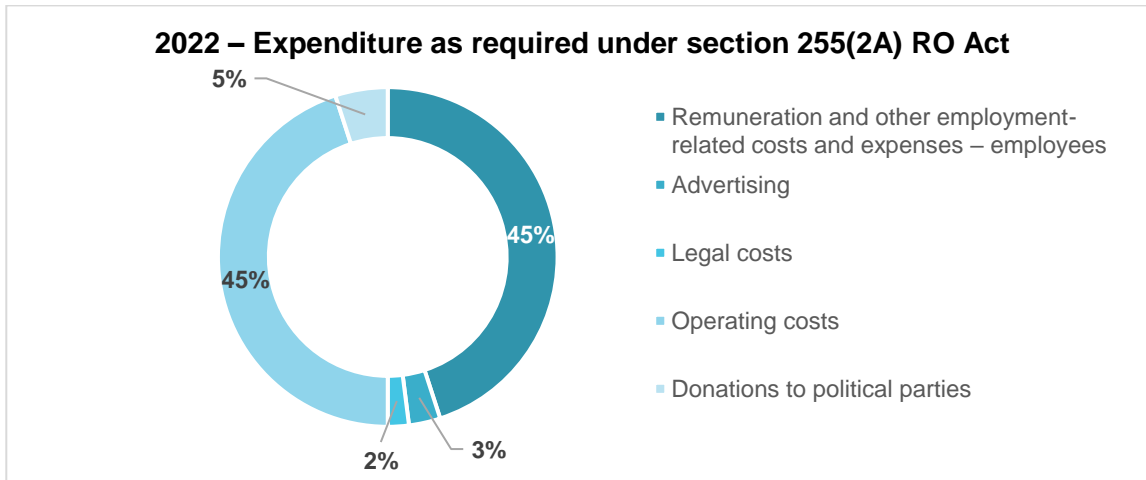
Descriptive form

Categories of expenditure	2023 (\$)	2022 (\$)
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





Additional reporting category

A reporting unit may also include an ‘other’ category within a descriptive or diagrammatic form so that the report will equal 100% of total expenditure. If an ‘other’ category is included, the reporting unit must ensure that the categories required to be reported under section 255(2A) are identifiable, even if the expenditure is ‘nil’.

Further information

If you have any questions relating to the General Manager’s reporting guidelines, please contact the Fair Work Commission on regorgs@fwc.gov.au or call us on 1300 341 665.