



Australian Government
Registered Organisations Commission

26 September 2019

Ian Leavers
Branch President
Police Federation of Australia - Queensland Police Branch
Sent via email: ileavers@qpu.asn.au

Dear Ian Leavers,

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2018 (FR2018/378)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Police Federation of Australia - Queensland Police Branch (**the reporting unit**) for the financial year ended 31 December 2018. The application was lodged with the Registered Organisations Commission (**the ROC**) on 19 July 2019.

On 2 August 2019, the ROC provided correspondence to the reporting unit requesting further information regarding the late lodgement of the application. The reporting unit on 29 August 2019 provided a letter to the ROC explaining the reasons of late lodgement and requested the ROC provide further clarification about the timeframes associated with a section 269 application. A response to this request was provided on 17 September 2019.

I have now had the opportunity to carefully consider the relevant facts and circumstances, including the material contained within the initial application and further information which was subsequently provided. Having regard to all of the relevant facts and circumstances, I have granted the application. The certificate is attached.

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 horizontal line to the right.

Chris Enright
Registered Organisations Commission



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269(2)(a)—Reporting unit's financial affairs encompassed by associated State body

Police Federation of Australia - Queensland Police Branch
(FR2018/378)

MR ENRIGHT

MELBOURNE, 26 SEPTEMBER 2019

Reporting unit's financial affairs encompassed by associated State body

[1] On 19 July 2019 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (**the Act**) by Police Federation of Australia - Queensland Police Branch (**the reporting unit**) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the Queensland Police Union of Employees (**the Association**), an associated State body, in respect of the financial year ending 31 December 2018.

[2] On 19 July 2019, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] I am satisfied that the Association:

- is registered under the *Industrial Relations Act 2016* (QLD), a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[4] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the reporting unit who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the reporting unit who are members of the Association; and
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 31 December 2018, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

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Australian Government
Registered Organisations Commission

17 September 2019

Ian Leavers
Branch President
Police Federation of Australia - Queensland Police Branch
Sent via email: ileavers@qpu.asn.au

Dear Ian,

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2018 (FR2018/378)

I refer to the correspondence of the Police Federation of Australia - Queensland Police Branch (**PFA Qld**) dated 29 August 2019 (**your letter**) in relation to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* (**the RO Act**) for the financial year ended 31 December 2018. The application was lodged with the Registered Organisations Commission (**the ROC**) on 19 July 2019.

Purpose of this letter

The purpose of this letter is to respond to your letter and request for clarification about the timeframes associated with applications made under section 269 of the RO Act in order to achieve compliance with relevant reporting obligations.

It is not proposed in this letter to deal with the actual application that has been made.

Preventing registered organisations falling into non-compliance

In my letter of 2 August 2019 (**my letter**), I advised that since its inception, the ROC has been committed to assisting registered organisations to increase the level of voluntary compliance with their statutory obligations. Our strategic 'win-win' goal is to reduce the non-compliance work we currently perform, including avoiding engaging in civil penalty proceedings, by educating organisations toward increased voluntary compliance.

That is why, without any statutory obligation to do so, we invest our resources in education programs, information workshops, fact sheets, guidance notes, webinars, templates, model financial statements etc. (and more recently podcasts). We also invest in providing courtesy reminders and when we observe that potential non-compliance is approaching, we often engage in telephone contact such as has occurred in this matter.

You will appreciate that for an organisation as small as the ROC, engaging in proactive measures to prevent more than 350 individual reporting units falling into non-compliance is a challenging task.

Applications under section 269 of the RO Act

We understand that since 2015 the PFA Qld has, in each year, made an application under section 269 of the RO Act in respect of its financial reporting obligations.

In my letter, I indicated that the application for a section 269 certificate for the financial year ended 31 December 2018 had been made 4 days after the date on which the application should have been made in order to comply with the RO Act.

In your letter in reply you have set out the PFA Qld's understanding that there was (and is) no statutory timeframe for the lodgement of an application under section 269. In your letter you inquire '*why it is said that the application was lodged after the prescribed statutory timeframe*'. We set out the grounds for suggesting that such a time limit does exist below.

Financial reporting and auditing obligations

The financial reporting and auditing obligations on reporting units is set out in Part 3 of Chapter 8 of the RO Act. That Part provides that to comply with the RO Act a reporting unit must, among other things:

- cause a general purpose financial report to be prepared in accordance with the Australian Accounting Standards as soon as practicable after the end of each financial year¹ (section 253)
- also cause an operating report to be prepared in relation to the financial year as soon as practicable after the end of each financial year (section 254)
- provide free of charge to its members a 'full report' (alternatively, a concise report), consisting of (subsection 265(1)(a)):
 - (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year
 - (ii) a copy of the general purpose financial report to which the report relates and
 - (iii) a copy of the operating report to which the report relates

which full report must be provided to members:

- where it is presented to a general meeting of members, at least 21 days before that meeting (subsection 265(5)(a)) or
- where it is presented to a committee of management meeting, within 5 months starting at the end of the financial year (subsection 265(5)(b))
- then cause the full report to be presented to a general meeting of members, or a meeting or series of meetings of the committee of management, within 6 months after the end of the financial year (section 266) and
- then lodge a copy of the full report and a designated officer's certificate with the ROC within 14 days after that meeting or the last of those meetings (section 268).

Each of the above obligations upon a reporting unit are civil penalty provisions of the RO Act the contravention of which may give rise to the imposition of a penalty on the registered organisation in an amount not exceeding the value of 300 or 500 civil penalty units (currently \$63,000 or \$105,000). Obviously having regard to the available penalties Parliament has determined that these are very significant matters.

¹ See *Registered Organisations Commission v Australian Nursing and Midwifery Federation* [2018] FCA 1735 re requirement under section 253(1) to prepare a general purpose financial report as soon as practicable after the end of the financial year.

The Registered Organisations Commissioner does not have any power to exonerate an organisation in respect of a contravention of the RO Act after it has occurred as a result of a failure by a reporting unit to comply with these time limits. At best, the Commissioner can, on application prior to the expiry of the period, allow a reporting unit a short extension of time in which to either hold the meeting under subsection 265(5)(a) or, provide the full report to members under subsection 265(5)(b), by a period of “no more than one month”.

Contravention of the RO Act

Sections 265, 266 and 268 of the RO Act prescribe an identifiable last day on which a reporting unit can comply with and avoid contravention of the RO Act. The latest of these is the obligation to lodge the full report and designated officer’s certificate under section 268, which in the case of the PFA Qld, needs to be complied with by 14 July 2019 at the latest.

In these circumstances where, by 15 July 2019, and despite numerous reminders, the PFA Qld has neither complied with section 268 nor lodged an application for a certificate under section 269, the only available conclusion is that, on that date, the PFA Qld was in contravention of the RO Act.

Further, and despite the historical knowledge that the PFA Qld has previously applied for section 269 certificates, as at 15 July 2019 the ROC:

- could not know when and if the PFA Qld would apply for a section 269 certificate for the financial year ending 31 December 2018
- could not know whether, if applied for, the Commissioner would be satisfied of the relevant matters to grant a section 269 certificate to the PFA Qld for the financial year ending 31 December 2018, including by achieving the requisite level of satisfaction that the financial affairs of the reporting unit are encompassed by the financial affairs of the associated State body
- could not know whether the PFA Qld had complied with prescribed State legislation, relating to preparing accounts, having those accounts audited, providing those accounts to its State members and lodging those accounts with the relevant State authority i.e. the Queensland Industrial Relations Commission
- could not know whether the PFA Qld had further provided those accounts to other members of the reporting units who are not members of the associated State body, nor whether a report under section 254 of the RO Act had been prepared and provided to all members of the reporting unit.

Against that background, the ROC was aware that the PFA Qld **had not** applied for a certificate under section 269 and **had not** lodged copy of the audited State accounts with the Commissioner, a prerequisite to obtaining the benefit of section 269 reduced reporting requirements.

You will appreciate that as a regulator committed to promoting a high level of compliance by organisations, the ROC does not promote conduct by organisations, and interpretations of the RO Act, that result in apparent contraventions (whether at a point in time or otherwise).

Given the focus for the ROC is to assist registered organisations to increase the level of voluntary compliance and avoid contraventions of the RO Act, and having regard to the various reminders provided to the PFA Qld, it is disappointing that the PFA Qld might be seen to be in contravention of the RO Act in these circumstances.

Effect of a section 269 certificate

In your letter you have asserted that the RO Act does not prescribe a time within which an application is to be made under section 269. We agree that there are no express reference to any time limits in section 269 of the RO Act.

Section 269 is a type of deeming provision. If each of the criteria set out in the section have been met, then the organisation is to be taken to have satisfied its reporting obligations under the RO Act. However, the absence in this regard of an express time for each of those things to occur does not, in our view, mean that no time limits apply.

Section 269 provides that a reporting unit to which the section applies is taken to have complied with Part 3 of Chapter 8 of the RO Act if it has satisfied each of subsections 269(2)(a), (b), (c), (d) and (e). Unless and until all of the requirements under section 269(2) have been satisfied, a reporting unit is required to prepare, have audited, provide to members, present to the relevant meeting and lodge with the ROC a full report under the timeframe requirements of sections 253, 254, 265(5), 266 and 268 of Part 3 of Chapter 8 of the RO Act.

The interpretation of the RO Act that you seem to prefer is that there is no time frame in which an application for a certificate under section 269 should be lodged. That could lead to perverse outcomes. It would mean that applications for section 269 certificates could be made many years after contraventions of sections 253, 254, 265(5), 266 and 268 have potentially been engaged in for the purpose of avoiding civil penalties.

Such an interpretation is not attractive to the ROC. Further, it would frustrate the purpose of the RO Act in circumstances where the regulator could not ever know, in respect of any of the more than 350 reporting units nationally, whether the entity was actually in breach of the RO Act, or had simply failed to seek an exemption certificate at that point in time. We doubt that a court would accept such an interpretation of the RO Act.

Advice to the PFA Qld regarding time frames of the RO Act

I trust that the preceding matters clarify the advice I provided in my letter of 2 August 2019 that:

'the application for a certificate has been made 4 days after the date on which the application should have been made in order to comply with the RO Act'.

In context, the purpose for my letter was to inform you of our view that, had the PFA Qld made its application by 14 July 2019, then the reporting unit would avoid the potential of falling into apparent contravention of sections 253, 254, 265(5), 266 and 268 of the RO Act, at least in the period from 15 July 2019, by not at that time having met the criteria in section 269(2).

Please note that in future years if the reporting unit cannot lodge within the 14 day period prescribed in section 268 of the RO Act, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, should be made prior to the expiry of the 14 day period.

As I have indicated in my earlier correspondence, I will now turn to an analysis of the circumstances set out in your response which explain the timing of the lodgement of the current application and provide further advice in due course.

I otherwise do not intend, on this occasion, to take any further steps regarding the issue of the timing of the PFA Qld's application made under section 269 of the RO Act.

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 black ink, appearing to be 'CE', with a small dash at the end.

Chris Enright
Registered Organisations Commission



Police Federation of Australia

The National Voice of Policing

Ian Leavers
Branch President
Queensland Police Branch
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29 August 2019

Attn: Chris Enright

Commissioner
Registered Organisations Commission

By Email: regorgs@roc.gov.au

Cc Email: pfaql@qpu.asn.au

Dear Commissioner,

I enclose:

- stamped copy of the financial reports of the Queensland Police Union of Employees.

I refer to your correspondence of 2 August 2019 in relation to the finances of the Police Federation of Australia, Queensland Police Branch ('Branch').

I respond as follows:

1. The associated State body of the Branch is the Queensland Police Union of Employees ('QPUE'), an organisation registered under the *Industrial Relations Act 2016* (Qld) ('Qld Act').
2. Since 2015, the Branch has made an application under section 269 of the *Fair Work (Registered Organisations) Act 2009* (Cth) ('FW(RO)A') in respect of its financial reporting obligations, as the financial affairs of the Branch are encompassed by the financial affairs of the QPUE.¹
3. The QPUE is required under Chapter 12, Part 11 of the Qld Act to:
 - (a) provide to its members a copy of the prepared audited accounts within 5 months after the end of the financial year;²

¹ See FR2017/374; FR2016/370; FR2015/431

² *Industrial Relations Act 2016* (Qld) s 780.

- (b) present the prepared audited accounts to a meeting of the management committee within 5 months after the end of the financial year;³ and
 - (c) lodge with the Industrial Registrar of the Queensland Industrial Relations Commission within 14 days of that meeting.⁴
4. Consistent with the QPUE rules, the QPUE presented the prepared audited accounts to a meeting of the Branch Conference on 30/31 May 2019.
 5. The QPUE complied with its obligations under the Qld Act and subsequently lodged the prepared audited accounts with the Industrial Registrar on 14 June 2019.
 6. In respect of dot points 4 and 5 of your correspondence, the dates of the Committee of Management Statement and the audit of the general purpose financial statement do not appear to be the relevant for a s 269 application, as s 269(2)(b) provides, ' ... *the associated State body has, in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the relevant State authority; ...* ', and requires the state process to be completed.
 7. The Branch instructed Branch Lawyers to prepare the application to the Registered Organisations Commission after filing the prepared audited accounts on 14 June 2019, and the exemption was prepared.
 8. However, upon filing the prepared audited accounts with the Industrial Registrar on 14 June 2019 the QPUE did not receive a 'stamped copy' of the QPUE's financial reports (as is the usual practice of the QIRC Registry) to acknowledge receipt of the financial reports by the Registry. As a result, the Branch sought from the Organisations Officer a stamped copy of the filed audited accounts so as to evidence of the state process being completed for the purposes of the application.
 9. The relevant official was on leave as a result of school holidays in Queensland running from 29 June 2019 to 14 July 2019, however he made contact with the Organisations Officer at the Registry before going on leave and on his return from leave as the stamped copy had still not been provided. The stamped copy was then provided by the Organisations Officer on 19 July 2019.
 10. Once the stamped copy was received the Branch lawyers were instructed to finalise and lodge the application under section 269 of the FW(RO)A which occurred on that day the 19 July. Whilst the stamped copy was in fact not attached to the application, I now enclose a copy for your reference which shows the date of filing, 14 June.
 11. The Branch attended with diligence to finalisation of the application under section 269 of the FW(RO)A as soon as it practicably could.

FW(RO)A

12. Further, and without detracting from the reasons set out above, I confirm that the Branch's understanding was that there was no statutory timeframe for the lodgement of an application under section 269. The Branch accepts that it may be mistaken in this view and sets out the reasons for holding that view.
13. Section 266 of the FW(RO)A provides that a full report is to be presented to a general meeting or a committee of management meeting within 6 months from the end of the financial year:

266 Full report to be presented to meetings

(1) *Subject to subsection (2), the reporting unit must cause the full report to be presented to a general meeting of the members of the reporting unit within the period of 6 months starting at the end of the financial year (or such longer period as is allowed by the Commissioner under subsection 265(5)).*

Civil penalty: 60 penalty units.

(2) *If the rules of the reporting unit permit a general meeting to be a series of meetings at different locations, the presenting of the full report to such a series of meetings is taken to be the presenting of the report to a general meeting. The general meeting is taken to have occurred at the time of the last of the meetings in the series.*

(3) *If the rules of the reporting unit provide for a specified percentage (not exceeding 5%) of members to be able to call a general meeting of the reporting unit for the purpose of considering the auditor's report, the general purpose financial*

³ *Industrial Relations Act 2016 (Qld) s 782.*

⁴ *Industrial Relations Act 2016 (Qld) s 784.*

report and the operating report, the full report may instead be presented to a meeting of the committee of management of the reporting unit that is held within the period mentioned in subsection (1).

14. Section 268 of the FW(RO)A provides that a copy of that full report must then be lodged with the Commissioner within 14 days from the meeting required under section 266:

268 Reports etc. to be lodged with the Commissioner

A reporting unit must, within 14 days (or such longer period as the Commissioner allows) after the general meeting, or meeting of the committee of management, referred to in section 266, lodge with the Commissioner:

- (a) a copy of the full report; and*
- (b) if a concise report was provided to members—a copy of the concise report; and*
- (c) a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a general meeting, or presented to a meeting of the committee of management, as the case requires, in accordance with section 266.*

Civil penalty: 100 penalty units.

15. Consequently, if the Branch was required to comply with financial reporting obligations under the FW(RO)A, the latest date in which financial reports could be lodged with the Commissioner would be 14 July 2019. I understand that this is the date the Commission is referring to when it suggests that the Branch lodged the application 5 days late.

16. However, section 269 of the FW(RO)A provides:

269 Reporting units with substantial common membership with State registered bodies

(1) This section applies to a reporting unit if there is an industrial association (the associated State body) that:

- (a) is registered or recognised as such an association (however described) under a prescribed State Act; and*
- (b) is, or purports to be, composed of substantially the same members as the reporting unit; and*
- (c) has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit.*

(2) A reporting unit is taken to have satisfied this Part if this section applies to the reporting unit and:

- (a) the Commissioner, on the application of the reporting unit, issues a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the associated State body; and*
- (b) the associated State body has, in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the relevant State authority; and*
- (c) the reporting unit has lodged a copy of the audited accounts with the Commissioner; and*
- (d) any members of the reporting unit who are not also members of the associated State body have been provided with copies of the accounts at substantially the same time as the members of the reporting unit who are members of the associated State body; and*
- (e) a report under section 254 has been prepared in respect of the activities of the reporting unit and has been provided to members of the reporting unit with the copies of the accounts.*

(emphasis added)

17. As I understand it, neither the FW(RO)A or the *Fair Work (Registered Organisations) Regulations 2009* (Cth) provides a statutory timeframe for the lodgement of an application under section 269. The relevant regulation is r 163, but it only provides for the relevant prescribed State legislation, not prescribed statutory timeframes.

18. This should be contrasted, for example, with section 271, in which an organisation must apply to the Commissioner for a certificate within 90 days after the end of the financial year:

271 Exemption from this Part of certain reporting units

(1) If, on the application of a reporting unit, the Commissioner is satisfied, after considering such circumstances (if any) as are prescribed, that the reporting unit did not have any financial affairs in a financial year, the Commissioner may issue to the reporting unit a certificate to that effect in respect of the financial year.

(2) The certificate exempts the reporting unit from the requirements of this Part in respect of the financial year.

(3) The application must be made to the Commissioner within 90 days, or such longer period as the Commissioner allows, after the end of the financial year.

(emphasis added)

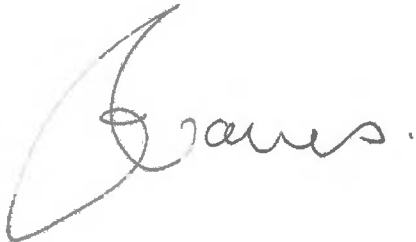
19. Section 269 does not cross-refer to the reporting requirements set out in Chapter 8, Part 3, Division 5 of the FW(RO)A. This is in contrast with section 270, in which reporting units are required to comply with the statutory timeframes despite a certificate being granted – see for example sub-section 270(7):

(7) *The reporting unit must, within 90 days (or such longer period as the Commissioner allows) after the making to the reporting unit of the report under section 257, lodge with the Commissioner copies of the auditor's report and the general purpose financial report together with a certificate by a prescribed designated officer that the information contained in the general purpose financial report is correct.*

Civil penalty: 100 penalty units.

20. Rather section 269(2) provides that a reporting unit is taken to have satisfied Chapter 8, Part 3 of the FW(RO)A which relevantly includes the statutory timeframes in relation to financial reporting.
21. Given, that I acknowledge that the Branch's view may be incorrect, I would greatly appreciate if the Commission could assist the Branch by explaining why it is said that the application was lodged after the prescribed statutory timeframe.
22. I also note that if the Branch view is incorrect that there is a power under section 268 to grant an extension. In the circumstances where there was active follow up with a view to timely filing of the application and the period was very short and caused by a circumstance outside the Branch's control, I request, in the event that the section 268 time limit applies, that the Commissioner allows a further period of 5 days to file the application.
23. I am happy to discuss these matters further with the Commission if that would be of assistance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Leavers', with a large, sweeping initial 'I'.

IAN LEAVERS
BRANCH PRESIDENT



2 August 2019

Ian Leavers
Branch President
Police Federation of Australia - Queensland Police Branch
Sent via email: ileavers@qpu.asn.au

Dear Ian,

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2018 (FR2018/378)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)* in respect of the Police Federation of Australia - Queensland Police Branch (**the reporting unit**) for the financial year ended 31 December 2018. The application was lodged with the Registered Organisations Commission (**the ROC**) on 19 July 2019.

The purpose of this correspondence is to advise you that as the Delegate of the Commissioner, I propose to carefully consider this application and the circumstances in which it has been made. Some of the relevant circumstances which I will be considering include the following:

- That the application for a certificate has been made 4 days after the date on which the application should have been made in order to comply with the RO Act;
- That the ROC provided correspondence to the reporting unit on 21 January 2019 and 17 June 2019 formally reminding the reporting unit of its reporting obligations under the RO Act;
- That ROC staff followed up the above mentioned reminder correspondence by engaging in proactive telephone discussions with the reporting unit on Tuesday 9 July 2019 and Monday 15 July 2019 to highlight the lodgement deadline associated with the relevant financial reporting obligations;
- That the Queensland Police Union of Employees (**Associated State Body**) held a committee of management meeting to pass the resolution in relation to the general purpose financial report of the associated state body on 24 April 2019; and
- That the general purpose financial report of the associated state body was audited on 24 April 2019.

Since its inception, the ROC has been committed to assisting registered organisations to increase the level of voluntary compliance with their statutory obligations. As a key part of this commitment the ROC expends its limited resources by proactively sending reminder correspondence and engaging in telephone discussions to inform the more than 350 reporting units within our jurisdiction of their relevant reporting obligations. The ROC also publishes an extensive range of educational material including, templates, fact sheets, webinars and guidance notes and continues to deliver face to face information workshops in all Australian states and territories.

To assist with my assessment of the application which has been made by the reporting unit under section 269 of the RO Act for the year ended 31 December 2018 and in the circumstances I have summarised above, I request that you provide an explanation as to why the application was lodged after the prescribed statutory timeframe.

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



Police Federation
of Australia
The National Voice of Policing

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19 July 2019

The Commissioner
Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

By email: regorgs@roc.gov.au

Dear Commissioner,

APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

The Police Federation of Australia, Queensland Police Branch ('**Reporting Unit**') makes application, pursuant to section 269 of *Fair Work (Registered Organisations) Act 2009* (Cth) ('**Act**'), as follows:

RELIEF SOUGHT

- A. That the Commissioner issues a certificate stating that the financial affairs of the Reporting Unit are encompassed by the financial affairs of the associated State body.
- B. That the Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the Act.

GROUNDS AND REASONS

1. The Queensland Police Union of Employees ('**Associated State Body**') is registered as an industrial organisation under the *Industrial Relations Act 2016* (Qld).
2. Marked and annexed as '**Schedule 1**' is a copy of the certificate of registration of the Associated State Body.
3. The Associated State Body is composed of substantially the same members as the Reporting Unit.
4. Marked and annexed as '**Schedule 2**' is a copy of a decision of the Queensland Industrial Relations Commission with respect to an application for exemption from election in the Associated State Body on the basis of, *inter alia*, the Associated State Body having substantially the same members as the Reporting Unit.

5. The Associated State Body has officers who are substantially the same as designated officers in relation to the Reporting Unit.
6. Marked and annexed as '**Schedule 3**' is a copy of the register of officers of the Associated State Body.
7. The reporting unit is taken to have satisfied Part 3 of Chapter 8 of the Act on the following basis:
 - (a) the Associated State Body has, in accordance with the *Industrial Relations Act 2016* (Qld), prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members, and lodged the audited accounts with the relevant State authority;
 - (b) the Reporting Unit, by this application, has lodged a copy of the audited accounts of the Associated State Body with the Registered Organisations Commission;
 - (c) there are no members of the Reporting Unit that are not members of the Associated State Body;
 - (d) the members of the Reporting Unit received a copy of the audited accounts of the Associated State Body at the same time as the members of the Associated State Body;
 - (e) a report under section 254 of the Act has been prepared by the Reporting Unit ('**Operating Report**'); and
 - (f) all members of the Reporting Unit have been provided with a copy of the Operating Report by publication on the Reporting Unit and Associated State Body's website.
8. Marked and annexed as '**Schedule 4**' is a copy of the audited accounts of the Associated State Body.
9. Marked and annexed as '**Schedule 5**' is a copy of the Operating Report of the Reporting Unit.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Leavers', is written over a light blue grid background.

IAN LEAVERS
BRANCH PRESIDENT

APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Schedule 1 – Certificate of Registration of the Queensland Police Union of Employees

"The Industrial Arbitration Act of 1916."

**Certificate of Registration of an Industrial Association
or Trade Union of Employees as an Industrial Union.**

I,* JOHN JAMES McGEE, Industrial Registrar. hereby certify that on the twelfth day of June, one thousand nine hundred and seventeen, an Industrial Association [*or Trade Union*] of Employees, called Queensland Police "Union of Employees" was, at Brisbane, in the State of Queensland, registered by that name under "*The Industrial Arbitration Act of 1916*" as an Industrial Union of Employees.

Dated at Brisbane, in the State of Queensland, this twelfth day of June, 1917.

*Title altered on 5 October, 2007 to Queensland Police Union of Employees

(Sgd.) JOHN J. McGEE,
Industrial Registrar.

I HEREBY CERTIFY that this is a true and correct copy of the Certificate of Registration of the Queensland Police Union of Employees which was registered as an Industrial Union of Employees on the twelfth day of June, 1917 under the title Queensland Police "Union of Employees" and whose title was altered to Queensland Police Union of Employees on the fifth day of October, 2007 and whose registration is continued under the Industrial Relations Act 1999.

Dated at Brisbane this eleventh day of July 2013.



APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Schedule 2 – RIO/2017/133 – Decision in *Application for Exemption from Holding an Election*



Industrial Registry
Industrial Court of Queensland and Queensland Industrial Relations Commission

Mr Ian Leavers
General President
Queensland Police Union of Employees
PO Box 13008
George Street
BRISBANE Q 4003

Dear Mr Leavers

Re: Application for exemption from holding an election [Matter no. RIO/2019/159]

I refer to an application filed in the Industrial Registry on 4 June 2019 by the Queensland Police Union of Employees [QPU] for exemption under section 802 of the *Industrial Relations Act 2016* from holding an election for stated offices.

It is noted that no objections to the application have been lodged in the Registry.

Queensland Police Union of Employees is an employee organisation registered under the *Industrial Relations Act 2016*. Police Federation of Australia is an employee organisation registered under the *Fair Work (Registered Organisations) Act 2009* [C'wealth]. I have perused the affidavit of Ian Leavers and the rules of each of the organisations and am satisfied that the Queensland Police Branch of the Police Federation of Australia is a counterpart federal body of QPU within the meaning of section 597 of the *Industrial Relations Act 2016*.

Being satisfied as required by section 802(2) of the *Industrial Relations Act 2016*, on 10 June 2019 I grant QPU Queensland exemption from holding an election for the following stated offices, in accordance with the Australian Electoral Commission election results declared for election numbered E2018/227 on 4 June 2019.

Stated Offices

South East Regional Representative
Metropolitan South Regional Representative
Northern Regional Representative
North Coast Regional Representative

The officers are to take up office in accordance with the rules of the Queensland Police Union of Employees.

Yours sincerely

M Shelley
Industrial Registrar
10 June 2019

APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Schedule 3 –Register of Officers of the Queensland Police Union of Employees

Form 66 – Register of officers of an [employer] [employee] organisation

Industrial Relations Act 2016, sections 735 and 736
Industrial Relations (Tribunals) Rules 2011, rule 202

Information


- To be filed current as at the beginning of each year
- To be filed within 30 days of any elections, appointments or resignation of officers.
- For example, President, Vice President, Secretary, Treasurer, Trustee, Committee Member. Also insert any other position of “office” as defined by the Act (s 599)
- If a person ceases to hold office after the last election declaration of appointment, all details are to be inserted in the relevant columns.

For further information please contact the Industrial Registry on 1300 592 987 or via email at qirc.registry@qirc.qld.gov.au

Organisation:	Queensland Police Union of Employees		
Name of contact person:	Ian Leavers		
Postal address:	217 North Quay		
	Suburb/Town	Brisbane	Postcode 4000
Phone number:	3259 1900	Fax number:	3259 1994
Mobile number:	[REDACTED]		
Email address:	ileavers@qpu.asn.au		

Name of officer (in full)	Title of office	Last date of election declaration or appointment	Residential address	Date person ceased to be an officer
Please see attached		/ /		/ /
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I certify that the above is a full and true list of the officers of the above-named employer employee organization as at / /20 and all such officers are over the age of 18 years.

Dated at:	Brisbane	Dated on:	11 / 4 / 2019
Signature:			
Print name:	Tom John Leavers		
Position held:	General President		

Name of officer (in full)	Title of office	Last date of election declaration or appointment	Residential address	Date person ceased to be an officer
Ian John Leavers	General President	22.02.2019		
Grant Stanley Wilcox	Vice President	25.07.2018		
Peter John Thomas	Treasurer	26.07.2017		
Anthony Paul Collins	Assistant Treasurer	26.07.2017		
Kevin John Groth	Assistant Treasurer	25.07.2018		
Martin Derek Bristow	Executive Member Far Northern Region	28.06.2017		
Peter John Thomas	Executive Member Northern Region	18.08.2015		
Kevin John Groth	Executive Member Central Region	28.06.2017		
Grant Stanley Wilcox	Executive Member North Coast Region	28.06.2017		
Colin Mark Muller	Executive Member Southern Region	28.06.2017		
Philip John Notaro	Executive Member South East Region	18.06.2015		
Kerrie-Sue Anne Haines	Executive Member Metro North Region	26.11.2018		
Anthony Paul Collins	Executive Member Metro South Region	18.08.2015		
Shane Allan Prior	Executive Member HQ & Support Region	28.06.2017		

APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Schedule 4 – Financial Reports of the Queensland Police Union of Employees



INDEPENDENT AUDITORS REPORT



To the members of Queensland Police Union of Employees

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Police Union of Employees (the Entity), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the Accounting Officer's certificate and the statement by members of the Committee.

In our opinion the accompanying financial report of Queensland Police Union of Employees presents fairly, in all material respects the reporting unit's financial position as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with Tier 1 Australian Accounting Standards and Part 11 of Chapter 12 of the *Industrial Relations Act 2016*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Industrial Relations Act 2016*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note 1(p) in the preparation of the financial statements is appropriate.

Declaration by the auditor

I, T R Mann, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

T R Mann
Director

Brisbane, 24 April 2019



**QUEENSLAND POLICE
UNION OF EMPLOYEES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**





QUEENSLAND POLICE UNION OF EMPLOYEES
ACCOUNTING OFFICER CERTIFICATE

I, the undersigned, being the Finance Officer and overseeing the keeping of the accounting records of the above named Union, hereby certify that as at 31 December 2018, the number of members of the Queensland Police Union of Employees was 11,712 (11,583 financial, 129 non-financial) and that:

In my opinion:

- (i) the accounts show a true and fair view of the financial affairs of the Queensland Police Union of Employees as at the end of the financial year; and
- (ii) a record has been kept of all monies paid by, or collected from, members of the Queensland Police Union of Employees, and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the rules of the Queensland Police Union of Employees; and
- (iii) before any expenditure was incurred by the Queensland Police Union of Employees, approval of the incurring of the expenditure was obtained in accordance with the rules of the Queensland Police Union of Employees; and
- (iv) the register of members of the Queensland Police Union of Employees was kept under the Act; and
- (v) all loans or other financial benefits the organisation gave to its employees or officers were made in accordance with the rules of the Queensland Police Union of Employees; and
- (vi) there were no payments made from special accounts

.....
Alex Kulakowski FCPA – Fellow Certified Practising Accountant



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QUEENSLAND POLICE UNION OF EMPLOYEES STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
REVENUE AND OTHER INCOME			
Revenue	2	11,269,117	10,764,552
Other income/(losses)	2	(731,977)	1,148,821
		<u>10,537,140</u>	<u>11,913,373</u>
EXPENSES			
Member Services		(85,323)	(73,628)
Benevolent Fund		(524,599)	(240,888)
Legal Defence Fund		(1,855,422)	(2,151,502)
Industrial Representation		(87,022)	(93,194)
Affiliation Costs		(298,372)	(291,850)
Branches, Executives & FTOs		(1,331,851)	(1,345,965)
Property Costs		(333,359)	(402,378)
Staff Costs		(2,881,917)	(3,205,805)
Marketing & PR Costs		(352,865)	(372,298)
General Administration		(480,884)	(273,629)
Investment Expenses		(347,904)	(321,741)
Communication Costs		(295,998)	(278,068)
Other Expenses		(164,544)	(164,540)
		<u>(9,040,060)</u>	<u>(9,215,483)</u>
Profit before income tax expense		1,497,080	2,697,890
Income tax expense	1a	-	-
Profit attributable to members of the entity		<u>1,497,080</u>	<u>2,697,890</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss:</i>			
Change in fair value of land and buildings		-	878,940
Total Comprehensive Income of the Union		<u>1,497,080</u>	<u>3,576,830</u>

The above financial statements should be read in conjunction with the accompanying notes

QUEENSLAND POLICE UNION OF EMPLOYEES

UNITY IS STRENGTH



QUEENSLAND POLICE UNION OF EMPLOYEES STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018	2017
CURRENT ASSETS		\$	\$
Cash and cash equivalents	4	4,698,234	3,036,760
Trade and other receivables	7	82,590	59,315
Financial assets at fair value through profit or loss	5	17,196,311	17,876,585
Other assets	8	204,225	131,082
TOTAL CURRENT ASSETS		22,181,360	21,103,742
NON CURRENT ASSETS			
Investment properties	6	4,815,000	4,835,000
Property, plant and equipment	9	5,639,003	5,594,167
TOTAL NON CURRENT ASSETS		10,454,003	10,429,167
TOTAL ASSETS		32,665,363	31,532,909
CURRENT LIABILITIES			
Trade and other payables	10	583,556	626,845
Provisions	11	669,690	958,584
Other liabilities	12	186,893	322,383
TOTAL CURRENT LIABILITIES		1,440,139	1,907,812
NON CURRENT LIABILITIES			
Provisions	11	233,540	160,494
TOTAL NON CURRENT LIABILITIES		233,540	160,494
TOTAL LIABILITIES		1,673,679	2,068,306
NET ASSETS		30,961,684	29,464,604
MEMBERS' FUNDS			
Retained earnings		26,489,524	24,992,444
Asset revaluation reserve	14	4,472,160	4,472,160
TOTAL MEMBERS' FUNDS		30,961,684	29,464,604

The above financial statements should be read in conjunction with the accompanying notes



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QUEENSLAND POLICE UNION OF EMPLOYEES STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		10,721,795	10,445,087
Receipts for legal defence		-	109,869
Receipts from other income		162,542	119,716
Payments to suppliers, members and employees		(10,200,752)	(9,727,385)
Dividends received		737,192	615,864
Interest received		133,868	124,848
Rent received		358,873	342,533
NET CASH PROVIDED BY OPERATING ACTIVITIES	18b	<u>1,913,517</u>	<u>2,030,533</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets at FVPL		233,784	4,573,496
Payments for financial assets at FVPL		(284,308)	(8,042,199)
Purchase of property, plant & equipment		(201,519)	(412,493)
Proceeds from disposal of property, plant & equipment		-	10,000
NET CASH USED IN INVESTING ACTIVITIES		<u>(252,043)</u>	<u>(3,871,304)</u>
Net increase/(decrease) in cash and cash equivalents		1,661,474	(1,840,663)
Cash and cash equivalents at beginning of period		3,036,760	4,877,423
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18a	<u>4,698,234</u>	<u>3,036,760</u>

The above financial statements should be read in conjunction with the accompanying notes



QUEENSLAND POLICE UNION OF EMPLOYEES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings	Asset Revaluation Reserve	TOTAL
At 31 December 2016	22,294,556	3,593,220	25,887,776
Profit for the year	2,697,888	-	2,697,888
Other comprehensive income	-	878,940	878,940
Total comprehensive income for the year	2,697,888	878,490	3,576,828
At 31 December 2017	24,992,444	4,472,160	29,464,604
Profit for the year	1,497,080	-	1,497,080
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,497,080	-	1,497,080
At 31 December 2018	26,489,524	4,472,160	30,961,684

The above financial statements should be read in conjunction with the accompanying notes



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations adopted by the Australian Accounting Standards Board (“AASB”) and the requirements of the *Industrial Relations Act 2016*. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements of the Queensland Police Union of Employees (the Union) for the year ended 31 December 2018 were authorised for issue in accordance with a resolution from the Committee of Management on the 24th of April 2019 and covers the Queensland Police Union of Employees as an individual entity.

The Queensland Police Union of Employees is a not-for-profit entity for the purposes of preparing these financial statements. The Queensland Police Union of Employees is a union in Queensland under the *Industrial Relations Act 2016*. The registered office and principal place of business of the Union is 217 North Quay, Brisbane, QLD 4000.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, except for investment properties, land and buildings and financial assets at fair value through profit or loss that have been measured at fair value.

The following significant accounting policies have been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

New standards, interpretations and amendments adopted by the Union

The Union has adopted AASB 9 *Financial Instruments* from 1 January 2018 (initial application date). AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

There have been no significant changes to the Union’s financial performance and position as a result of the adoption of the new and other amended accounting standards and interpretations effective for reporting periods beginning on or after 1 January 2018.

AASB 9 *Financial Instruments* - Impact of adoption

AASB 9 replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in note below. In accordance with the transitional provisions in AASB 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

(i) *Classification and Measurement*

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

AASB 9 Financial Instruments - Impact of adoption (continued)

On 1 January 2018 (the date of initial application of AASB 9), the Union's management has assessed which business models apply to the financial assets held by the Union and has classified its financial instruments into the appropriate AASB 9 categories. There were no changes to the classification and measurement of these assets.

Under AASB 139, the investments in equity instruments and unlisted funds were designated as financial assets at fair value through profit or loss (FVPL) because they were held for trading. These financial assets have been classified as mandatorily measured at FVPL under AASB 9.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified as amortised cost. There were no changes in the measurement of these assets.

(ii) Impairment of financial assets

The Union has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The Union was required to revise its impairment methodology under AASB. There was no material impact of the change in impairment methodology on the Union's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

AASB 9 Financial Instruments - Accounting policies applied from 1 January 2018

Investments and other financial assets

Classification

From 1 January 2018, the Union classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Union has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may



ANNUAL REPORT 2018

QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Union had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Measurement

At initial recognition, the Union measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

From 1 January 2018, the Union assesses on a forward looking basis the expected credit losses associated with its trade and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Union applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impact of standards issued but not yet applied by the entity

AASB 16 Leases

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Union does not intend to adopt the standard before its effective date.

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117 Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019 as it did enter into leasing arrangements as a lessee.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 15 Revenue from Contracts with Customers

This standard and its consequential amendments are currently applicable to annual reporting period of the Union beginning on 1 January 2019. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 *Revenue*.

The Union is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the management's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting period of the Union beginning on 1 January 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

The Union is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

a) Income Tax

The income of the Union is exempt from income tax.

b) Property Plant and Equipment

Land and buildings are measured at fair value less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset. A revaluation surplus is credited to other comprehensive income (asset revaluation surplus) unless it reverses a revaluation decrease on the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss unless it directly offsets a previous revaluation surplus on the same asset in the asset revaluation surplus. An annual transfer is made from the asset revaluation surplus to retained earnings for the depreciation charge recognised in profit or loss (net of tax) relating to the revaluation surplus. On disposal, any revaluation surplus relating to sold assets is transferred to retained earnings. Independent valuations are performed regularly to ensure that the carrying amounts of land and buildings does not differ materially from that of the fair value at the end of the reporting period.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Land is not depreciated. Depreciation on motor vehicles is calculated on a diminishing balance method at the rate detailed below. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life, or in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

Class of Property Plant and Equipment	Depreciation Rate
Buildings	4% Straight line
Plant and equipment & Furniture and Fittings	20 - 30% Straight line
Motor Vehicles	33% Diminishing balance
Office equipment and kitchen equipment	20 - 50% Straight line

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is derecognised.

c) Employee Entitlements

Short-term employee provisions

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render their related service. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense. The Union's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Contributions are made by the union to an employee superannuation fund and are charged as expenses when incurred.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts.

e) Revenue

Subscription Revenue is recognised on a proportional basis depending on the membership period to which the income relates.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend income is recognised when the Union has established that it has a right to receive a dividend.

All revenue is stated net of the amount of goods and services tax (GST).

f) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

h) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

i) Investment Properties

Investment properties held for rental are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. Fair value is determined based on an annual valuation performed by an accredited external, independent valuer, applying a valuation model appropriate for the investment property.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Union accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Gains and losses arising from changes in fair



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

values of investment properties are included in profit or loss as part of other income in the year in which they arise.

j) Trade and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to the Union prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. It also includes the amount of annual leave accrued by all employees as at the end of the financial year. The carrying amount of the creditors and payables is deemed to reflect fair value.

k) Income Received in Advance

All Union dues paid as at the end of the financial year that relate to future periods are accounted for as Income Received in Advance at the actual amounts paid.

l) Fair values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Union.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use. In measuring fair value, the Union uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

m) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

(i) Key estimates and assumptions - Fair value measurement of non-financial assets

The Union requires the measurement of fair values, for both financial and non-financial assets and liabilities. The Union has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Union assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified.

Any significant valuation issues are reviewed by the Union's Committee of Management.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When measuring the fair value of an asset or a liability, the Union uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Union recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values for investment properties are included in note 6 and land and buildings included in note 9.

o) New, revised or amended Accounting Standards and Interpretations adopted

The Union has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Union.

p) Going Concern

The Union operates as a going concern, with funds from membership subscriptions.

Going Concern - financial support received

The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

Going Concern - financial support provided

The Union has not agreed to provide support to ensure another reporting unit has the ability to continue as a going concern.



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QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 2: REVENUE AND OTHER INCOME

	2018	2017
REVENUE	\$	\$
Subscriptions	9,891,419	9,427,249
Rental income from Investment Property	358,873	342,533
Legal Defence Reimbursements	-	109,869
Dividends	737,192	615,865
Interest	133,868	124,848
Other Revenue	147,765	144,188
	<u>11,269,117</u>	<u>10,764,552</u>
OTHER INCOME		
Net fair value gain/(losses) on financial assets at fair value through profit or loss	(731,749)	923,970
Fair value movement in investment property	(20,000)	180,000
Profit on disposal of financial assets	951	40,447
Profit on disposal of property, plant and equipment	18,821	4,404
	<u>(731,977)</u>	<u>1,148,821</u>
TOTAL REVENUE AND OTHER INCOME	<u>11,298,889</u>	<u>11,913,373</u>

NOTE 3: EXPENSES

	2018	2017
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation on non-current assets		
Buildings	53,428	74,000
Plant and Equipment	1,903	1,468
Furniture and Fittings	6,083	5,680
Motor Vehicles	32,325	38,854
Office Equipment	81,766	67,796
Unit 344, Aurora Tower furniture	-	108
Total Depreciation on property, plant and equipment	<u>175,505</u>	<u>187,906</u>
	2018	2017
	\$	\$
Audit fee	35,500	34,156
Other services	34,897	-
Loss on disposal of financial assets	5,823	5,127
Employee benefits expenses:		
Wages and Salaries	2,189,253	2,512,121
Superannuation	254,935	268,669
Other employee expenses	437,730	425,016
Total employee benefits expenses:	<u>2,881,918</u>	<u>3,205,806</u>



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 4: CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank	4,697,134	3,035,660
Cash on hand	1,100	1,100
	4,698,234	3,036,760

NOTE 5: FINANCIAL ASSETS

	2018	2017
	\$	\$
Financial assets at fair value through profit or loss:-		
Shares	10,521,451	11,094,128
Managed Funds	6,674,860	6,782,457
	17,196,311	17,876,585

As disclosed in Note 1 (i) the Union's financial assets at fair value through profit or loss are recorded at fair value. These instruments are included as Level 2 Financial Instruments as the lowest level of inputs that is significant to the entire fair value measurement are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

NOTE 6: INVESTMENT PROPERTIES

	2018	2017
	\$	\$
<i>At fair value</i>		
Units, 43 Didsbury Street	1,400,000	1,350,000
Unit 344, Aurora Tower	550,000	565,000
50 Perkins Street, Townsville	940,000	1,000,000
301.1 Da Vinci Business Park	1,700,000	1,680,000
Unit 44, Park Regis Brisbane	225,000	240,000
	4,815,000	4,835,000

(a) Movements in investment property

Balance at beginning of the year	4,835,000	4,655,000
Fair value adjustment in investment property	(20,000)	180,000
Balance at the end of the year	4,815,000	4,835,000

(b) Profit from investment property

	2018	2017
	\$	\$
Rental income from investment property	358,873	342,533
Direct property expenditures (including repairs and maintenance) from property generating rental income	(184,107)	(188,761)
Direct property expenditures (including repairs and maintenance) from property that did not generate rental income (included in cost of sales)	(19,689)	(21,843)
Profit from investment property carried at fair value	155,077	131,929



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 6: INVESTMENT PROPERTIES (CONTINUED)

	2018 \$	2017 \$
<i>Operating lease receivable</i>		
Future minimum lease payments expected to be received in relation to non-cancellable operating leases:		
Not later than 1 year	268,731	261,343
Later than 1 and not later than 5 years	91,168	324,536
Later than 5 years	-	-
Total future minimum lease payments	359,899	585,879

All property leases are short term (less than 1 year), except for the Da Vinci property which is for a non-cancellable three-year term, with rent paid monthly in advance. An option exists for the lessee to renew the lease at the end of the three-year term for an additional term of two plus two years. The Park Regis Unit is also for a non-cancellable three-year term, with rent paid monthly in arrears. An option exists for the lessee to renew the lease at the end of the three-year term for an additional term of three years.

(c) Revaluation of investment properties

The Union's investment properties consist of one commercial property, three residential properties and one plot of vacant land, all in Australia. Management determined that the investment properties consist of one class of asset under AASB 13, *Fair Value Measurement*, based on the nature, characteristics and risks of the properties.

Fair value of the properties was determined using the income approach and direct comparison approach. The income approach was based on estimated rental value of for the properties. Market rentals and capitalisation rates are estimated by the independent valuer based on comparable transactions and industry data. The direct comparison approach is based on the comparable sales evidence in the immediate locality where the property is located. The valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

As at the date of revaluation, the properties' fair values are based on independent valuations undertaken in December 2018 by Mr Henry Brown (Registered Valuer No. 3775), Mr Carlo Lando (Registered Valuer No. 2534), and Mr Brett Makepeace (Registered Valuer No. 1947), all AAPI certified, and all from Taylor Byrne. They are accredited independent valuers who have valuation experience for similar properties in Australia since 2000.

The Union has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 6: INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The fair value measurement for the properties has been categorised as a level 3 fair value based on the inputs to the valuation technique used. Details of the significant unobservable inputs used and relationship between unobservable inputs and fair value follow:

31 December 2018

	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Income Approach	Market gross rent per annum	(\$76,440 to \$163,021) (weighted average \$119,731)	The higher the gross rent, the higher the fair value
	Capitalisation rate	4.2% to 9.25% (weighted average 6.6%)	The higher the capitalisation rate, the lower the fair value
Direct Comparison Approach	Sale Rate per unit	\$150,000 to \$600,000 (weighted average \$375,000)	The higher the sale rate, the higher the fair value

31 December 2017

	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Income Approach	Market gross rent per annum	\$78,000 to \$156,817 (weighted average \$117,409)	The higher the gross rent, the higher the fair value
	Capitalisation rate	3.25% to 9% (weighted average 6%)	The higher the capitalisation rate, the lower the fair value
Direct Comparison Approach	Sale Rate per unit	\$183,333 to \$635,000 (weighted average \$409,167)	The higher the sale rate, the higher the fair value
	Sale Rate (\$/sqm)	\$247 to \$561 (weighted average \$325)	



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QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 7: TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Members Accounts	22,778	13,619
Benevolent Fund Loans	45,162	31,757
Journal Debtors	13,850	13,139
Deposits	800	800
	<u>82,590</u>	<u>59,315</u>

NOTE 8: OTHER ASSETS

Prepayments	204,105	130,962
Shares in Qld Police Union Legal Union	120	120
	<u>204,225</u>	<u>131,082</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2018 \$	2017 \$
Land and buildings - at valuation 2017	5,420,660	5,275,000
Accumulated depreciation	(53,429)	-
	<u>5,367,232</u>	<u>5,275,000</u>
Plant and Equipment at cost	10,553	8,637
Accumulated depreciation	(3,913)	(2,010)
	<u>6,640</u>	<u>6,627</u>
Furniture and fittings at cost	58,386	54,778
Accumulated depreciation	(21,594)	(15,513)
	<u>36,792</u>	<u>39,265</u>
Motor Vehicles at cost	138,323	160,511
Accumulated depreciation	(39,113)	(62,729)
	<u>99,210</u>	<u>97,782</u>
Office Equipment at cost	295,164	328,926
Accumulated depreciation	(166,035)	(153,433)
	<u>129,129</u>	<u>175,493</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>5,639,003</u>	<u>5,594,167</u>



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a. Movements in Carrying Amounts

	Land and buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at beginning of year, 1 July 2018	5,275,000	6,627	39,266	97,782	175,493	5,594,168
Additions	145,660	1,916	3,608	86,615	51,027	288,826
Disposals	-	-	-	(52,860)	(15,625)	(68,485)
Depreciation expense	(53,428)	(1,903)	(6,082)	(32,327)	(81,766)	(175,506)
Carrying amount at end of year - 31 December 2018	5,367,232	6,640	36,792	99,210	129,129	5,639,003

(b) Fair value measurement of land and buildings

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the management reviews the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

The fair value of land and buildings at 31 December 2017 is based on an independent valuation undertaken in December 2017 by Mr Henry Brown (Registered Valuer No. 23775), AAPI certified, of Taylor Byrne. Management determined that this constitutes one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Fair value of the property was determined by using the direct comparison with sales evidence. The valuation performed by the valuer using the direct comparison approach are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

Measurement of Fair Value at 31 December 2018

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
Land and buildings	-	-	5,367,232

Measurement of Fair Value at 30 December 2017

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
Land and buildings	-	-	5,275,000



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QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Fair value hierarchy

The fair value of land and buildings was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Union's properties at least every three years. As at the date of revaluation, 31 December 2018, the property's fair value is based on valuations performed by Mr Henry Brown (Registered Valuer No. 23775), AAPI certified, of Taylor Byrne. The fair value measurement has been categorised as follows based on the inputs to the valuation technique used (see Note 1).

(ii) Level 3 fair value - valuation techniques and significant unobservable inputs

Fair value of the property was determined by using the market comparable method. This means that the valuation performed by the valuer is based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. A significant increase (decrease) in estimated comparable sale in isolation would result in a significantly higher (lower) fair value.

NOTE 10: TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade Payables	388,864	390,190
Accruals	157,068	191,181
Other Payables	37,624	45,474
	583,556	626,845

NOTE 11: PROVISIONS

	2018 \$	2017 \$
Current		
Provision for Annual Leave	377,688	452,460
Provision for Long Service Leave	292,002	506,124
	669,690	958,584
Non-Current		
Provision for Long Service Leave	233,540	160,494
	233,540	160,494

Long Service Leave

Long term employee benefits comprise amounts payable for long service leave which are not vested at the end of the reporting period and the amount and timing of payments to be made when leave is taken is uncertain. Refer to accounting policy for more details.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 12: OTHER LIABILITIES

Members Subscriptions in Advance	186,893	322,383
	186,893	322,383

NOTE 13: LEGAL FEES

Legal fees were paid as follows:-

Legal Defence	1,714,673	2,024,443
Administration	182,645	48,115
Industrial	14,905	32,143
	1,912,223	2,104,701

Gilshenan and Luton, McInnes Wilson, Sciacas, and Hall Payne or their agents act as solicitors on behalf of the Queensland Police Union of Employees.

NOTE 14: ASSET REVALUATION RESERVE

Opening Balance	4,472,160	3,593,220
Increase/(decrease) in fair value of land and buildings	-	878,940
Closing Balance	4,472,160	4,472,160

The asset revaluation surplus records increments and decrements on the revaluation of land and building. On disposal, the balance in the asset revaluation surplus relating to the asset is transferred to Accumulated Funds.

NOTE 15: REMUNERATION OF COMMITTEE OF MANAGEMENT (EXECUTIVE COMMITTEE)

(a) Key management personnel compensation

	2018	2017
	\$	\$
Short-term employee benefits	1,297,232	1,061,085
Post-employment benefits	-	-
Other long-term benefits	-	-
Income received by members of the Committee of Management	1,297,232	1,061,085

This includes salaries, superannuation, allowances paid, motor vehicle costs for FBT, telephone costs and fringe benefits paid.



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QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 16: REMUNERATION OF COMMITTEE OF MANAGEMENT (EXECUTIVE COMMITTEE) (CONTINUED)

(b) Names of the Committee of Management (Executive Committee) that held Office during the financial year.

General President	Ian Leavers
General Secretary	Mick Barnes
Assistant General Secretary	Denis Sycz
Assistant General Secretary	Shayne Maxwell
Metropolitan North and Vice President	Shayne Maxwell (resigned 30 June 2018)
Metropolitan North	Kerrie Haines (elected 26 November 2018)
Southern Region	Col Muller
Far Northern Region	Marty Bristow
Northern Region and Treasurer	Peter Thomas
Central Region	Kev Groth
North Coast Region and Vice President	Grant Wilcox
Headquarters & Support Region	Shane Prior
Metropolitan South Region	Tony Collins
South Eastern Region	Phil Notaro

NOTE 17: COMMITMENTS

There are no ongoing commitments.

NOTE 18: CASH FLOW INFORMATION

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with financial institutions.

a) Reconciliation of Cash

Cash at the end of the financial year is reconciled to the related items in the balance sheet as follows:-

	2018	2017
	\$	\$
Cash at bank	4,697,134	3,035,709
Cash on hand	1,100	1,100
	4,698,234	3,036,809



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 18: CASH FLOW INFORMATION (CONTINUED)

b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

	2018	2017
	\$	\$
Profit for the year	1,497,079	2,697,888
<i>Add/deduct: Reconciling items</i>		
Depreciation	175,506	187,798
(Profit)/Loss on sale of investments	(951)	(35,320)
(Profit)/Loss on sale of property, plant and equipment	(18,821)	(4,404)
Fair value movement in financial assets	731,749	(923,970)
Fair value movement in investment properties	20,000	(180,000)
 <i>Movements in operating assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	(23,275)	26,774
(Increase) / decrease in other assets	(73,143)	127,418
Increase / (decrease) in trade and other payables	(118,061)	13,629
Increase / (decrease) in provisions	(141,076)	111,270
Increase / (decrease) in other liabilities	(135,490)	9,450
	1,913,517	2,030,533

NOTE 19: CONTINGENCIES

Contingent Liabilities

At 31 December 2018, the Queensland Police Union of Employees had no contingent liabilities to disclose.

NOTE 20: AUDITORS REMUNERATION

	2018	2017
	\$	\$
Value of the services provided		
Financial statement audit services	35,500	32,000
Other services	17,215	-
Total remuneration of auditors	52,715	32,000

No other services were provided by the auditors of the financial statements.



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QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21: FINANCIAL RISK MANAGEMENT

General objectives, policies and processes

The Committee of Management has overall responsibility for risk management. The Committee of Management has established risk management policies designed to identify and monitor risks from financial instruments and ensure any adverse effects from these risks are minimised. The Committee of Management meets on a regular basis to review compliance with risk management policies and to analyse financial risk exposure in the context of the current economic environment. The main risks the Union is exposed to through its financial instruments are liquidity risk, and market risk relating to interest rate and other price risks.

There have been no substantive changes in the Union's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Financial instrument risk arises from cash and cash equivalents, investments in shares, trade receivables and trade and other payables.

Categories of Financial Instruments

	2018	2017
	\$	\$
Financial Assets		
Cash at bank	4,698,234	3,036,809
Trade Debtors and other receivables	82,590	58,515
Financial assets at fair value through profit or loss	17,196,311	17,876,585
Carrying amount of financial assets	21,977,135	20,971,709
Financial Liabilities		
Trade and other payables	770,449	949,229
Carrying amount of financial liabilities	770,449	949,229

(a) Credit Risk

Credit is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on cash at bank, financial assets at fair value through profit or loss, and trade and other receivables. The objective of the Union is to minimise exposure to credit risk.

The Union does not have any material credit risk exposure to any single debtor or Union of debtors under financial instruments entered into by the economic entity.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

The carrying amounts of financial instruments best represent the maximum credit risk exposure at the reporting date. No collateral is held as security for financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Union's financial instruments exposed to credit risk amounted to the following:

	2018	2017
Financial Assets	\$	\$
Cash and cash equivalents	4,698,234	3,036,760
Trade and other receivables	82,590	58,315
Financial assets at fair value through profit or loss	17,196,311	17,876,585
Total	21,977,135	20,971,660

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2018	2018	2017	2017
	\$	\$	\$	\$
Trade Debtors and other receivables	77,589	5,000	58,515	800
Total	77,589	5,000	58,515	800

The Union does not provide credit accounts to its members or any customer that is related to its operation. The Union is stringent on collection of receivables and has a maximum of 60 days credit terms.

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade Debtors and other Receivables	77,589	-	-	5,000	82,589
Total	77,589	-	-	5,000	82,589

Benevolent Loans granted to Members requiring financial assistance, with repayment terms normally between one and five years are classed as 0 to 30 days if repayments are current and as per agreement

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Union does not have any foreseeable reduction in the number of union members, therefore the exposure to this risk is minimal.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

Contractual maturities for financial liabilities 2018

	Carrying amount	< 1 month \$	1-3 months \$	3-12 months \$	>1 year \$	Total \$
Trade and other payables	770,449	770,449	-	-	-	-
Total	770,449	770,449	-	-	-	-

Contractual maturities for financial liabilities 2017

	Carrying amount	< 1 month \$	1-3 months \$	3-12 months \$	>1 year \$	Total \$
Trade and other payables	949,229	949,229	-	-	-	-
Total	949,229	949,229	-	-	-	-

(c) Market Risk

The objective of the Union's market risk management is to manage and control market risk exposures in order to optimise risk and return. Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and other volatilities in market prices will have an adverse effect on the Union's financial condition or results. Market risk comprises interest rate risk and other market price risk. The Union is not exposed to currency risk. The Union trades in the financial assets at fair value at profit or loss which exposes the Union to the changes in market prices. The Union is exposed to interest rate risk arising from changes in market interest rates.

Interest rate risk

Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to the changes in interest rates. The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Interest rate risk arises on balances of cash and cash equivalents.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table illustrates sensitivities to the Union's exposures to changes in interest rates:

2018	Carrying amount	Change in Interest rates	Effect on equity	
			Profit and Loss \$	Equity \$
Cash and cash equivalents	4,698,234	+ 1%	46,982	46,982
		- 1%	(46,982)	(46,982)

2017	Carrying amount	Change in Interest rates	Effect on equity	
			Profit and Loss \$	Equity \$
Cash and cash equivalents	3,036,760	+ 1%	30,368	30,368
		- 1%	(30,368)	(30,368)

NOTE 22: FAIR-VALUE MEASUREMENT

Management of the Union assessed that cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties.

The following assets are recognised and measured at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)
- Land and buildings - refer to Note 9
- Investment properties - refer to Note 6

There have been no significant transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the Union in the subsequent financial years.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 24: RELATED PARTY TRANSACTIONS

(a) **Key management personnel**

Disclosures relating to key management personnel are set out in Note 16.

(b) **Other related party transactions**

The following transactions occurred with related parties: The Union paid \$240,000 during the year ending 31 December 2018 (2017: \$225,000) to the 100% owned Queensland Police Union Legal Union Pty Ltd to allow it to pay salaries and on-costs.

Transactions with related and associated parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

(c) **Outstanding balances**

There was no balance outstanding at the end of the reporting period in relation to transactions with related parties.

NOTE 25: *INDUSTRIAL RELATIONS ACT 2016* DISCLOSURES

Asset or liability acquisition

During the year, the Union has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 14 of Chapter 12 of the *Industrial Relations Act 2016*, or
- (b) A restructure of Branches of the organisation, or
- (c) A determine by the Registrar under section 755 of the *Industrial Relations Act 2016* of an alternative reporting structure for the organisation, or
- (d) A revocation by the Registrar under subsection 759 of the *Industrial Relations Act 2016* of a certificate issued to the organisation under section 755, or
- (e) A business combination.

Revenue

The revenues below have not been incurred as the activities have not occurred during the reporting period:

- (a) entrance fees or periodic subscriptions (membership subscriptions) in respect of membership of the organisation, or
- (b) capitation fees received, or
- (c) compulsory levies or voluntary contributions for the furtherance of a particular purpose, or
- (d) donations or grants, or
- (e) financial support received from another reporting unit.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 25: INDUSTRIAL RELATIONS ACT 2016 DISCLOSURES (CONTINUED)

Expenses

The expenses below have not been incurred as the activities have not occurred during the reporting period:

- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions, or
- (b) payment of capitation fees, or
- (c) payment of affiliation fees or periodic subscriptions to any political party, any federation, congress, council or Union of organisations, or any international body having an interest in industrial matters, or
- (d) payment of compulsory levies, or
- (e) employee expenses related to employees (other than holders of offices), or
- (f) fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings, or
- (g) legal costs and other expenses related to:
 - i. litigation; and
 - ii. other legal matters, or
- (h) penalties imposed on the organisation under the Act with respect to the conduct of the reporting unit.

Payment of grants or donations

The Union has paid the following grant and donations during the reporting period:

31 December 2018

	\$1,000 or less	More than \$1,000	Total
Grants	14,486	166,011	180,497
Donations	350	358,998	359,348
	12,836	527,009	539,845

31 December 2017

	\$1,000 or less	More than \$1,000	Total
Grants	1,153	228,741	229,894
Donations	1,200	4,894	6,094
	2,353	233,635	235,988



ANNUAL REPORT 2018

QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 25: INDUSTRIAL RELATIONS ACT 2016 DISCLOSURES (CONTINUED)

Employee expenses related to holders of office

The employee expenses related to the Union's holders of office and employees other than holders of office of the Union follow:

31 December 2018

	Officeholders	Non-Officeholders	Total Employee
	\$	\$	Expenses \$
Wages and Salaries	496,595	1,593,241	2,089,836
Superannuation	57,164	197,771	254,935
Leave and other entitlements	142,779	196,637	339,416
Separation and redundancies	-	-	-
Other Employee expenses	-	197,729	197,729
	<u>696,538</u>	<u>2,185,378</u>	<u>2,881,916</u>

31 December 2017

	Officeholders	Non-Officeholders	Total Employee
	\$	\$	Expenses \$
Wages and Salaries	583,603	2,218,178	2,801,781
Superannuation	57,974	210,694	268,668
Leave and other entitlements	41,953	220,979	262,932
Separation and redundancies	-	-	-
Other Employee expenses	-	200,017	200,017
	<u>683,530</u>	<u>2,849,868</u>	<u>3,533,399</u>



**QUEENSLAND POLICE UNION OF EMPLOYEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

NOTE 25: INDUSTRIAL RELATIONS ACT 2016 DISCLOSURES (CONTINUED)

Meeting and Conferences Expenses

The expenses incurred in connection with holding meetings of members of the Union and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible during the year ended 31 December 2018 amounted to \$131,715 (2017: \$164,158).

Statement of financial position

No activities have occurred during the reporting period resulting in:

- 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.



QUEENSLAND POLICE UNION OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2018

QUEENSLAND POLICE UNION OF EMPLOYEES STATEMENT BY MEMBERS OF THE COMMITTEE

On April 24th 2019, the Committee of Management of Queensland Police Union of Employees (QPUE) passed the following resolution in relation to the general purpose financial report (GPFR) of QPUE for the financial year ended 31 December 2018.

The committee of management declares in relation the GPFR that in its opinion:

- 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 Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of QPUE for the financial year to which they relate;
- d) there are reasonable grounds to believe that QPUE will be able to pay its debts as and when they become due and payable;
- 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 QPUE have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of QPUE have been kept and maintained in accordance with the Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of QPUE have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of QPUE or Registrar duly made under section 787 of the Act, that information has been provided to the member or Registrar; and
 - vi. where any order for inspection of financial records has been made by the Queensland Industrial Relations Commission under section 788 of the Act, there has been compliance.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee by:

Ian Leavers
General President and Chief Executive Officer

Mick Barnes
General Secretary

Dated this 24th of April 2019

APPLICATION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

Schedule 5 – Police Federation of Australia, Queensland Police Branch Operating Report

POLICE FEDERATION OF AUSTRALIA, QUEENSLAND POLICE BRANCH

OPERATING REPORT for the period ended **31 December 2018**

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

1. The principal activities of the reporting unit are to:
 - (a) provide representation for members of the reporting unit on the Federal Council of the Police Federation of Australia; and
 - (b) discharge the objects of the Police Federation of Australia in accordance with its rules.
2. The results of those activities are that the reporting unit maintained its representation on the Federal Council during the reporting period and discharged the objects of the Police Federation of Australia in accordance with its rules.
3. There has been no significant change to the nature of those activities during the year.

Significant changes in financial affairs

4. There have been no significant changes in the reporting unit's financial affairs during the reporting period.

Right of members to resign

5. Members of the reporting unit may resign in accordance with rule 11 of the PFA rules or rule 7 of Part CF2 of the PFA rules.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

6. No officer or member of the reporting unit is:
 - (a) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
 - (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme,

where a criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of the Police Federation of Australia.

Number of members

7. The reporting unit had 11,704 members as at 31 December 2018.

Number of employees

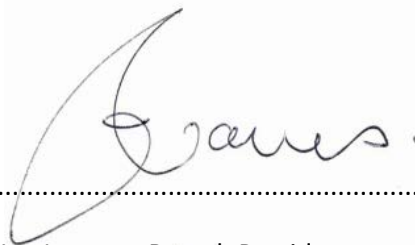
8. The reporting unit had 0 employees as at 31 December 2018.

Names of Committee of Management members and period positions held during the financial year

9. The following persons held office as members of the committee of management during the reporting period:

Name	Office	Dates
Ian John Leavers	Branch President	1 January 2018 to 31 December 2018
Grant Stanley Wilcox	Branch Vice President	25 July 2018 to 31 December 2018
Shayne Robert Maxwell	Branch Vice President	1 January 2018 to 30 June 2018
Peter John Thomas	Branch Treasurer	1 January 2018 to 31 December 2018
Grant Stanley Wilcox	Branch Assistant Treasurer	1 January 2018 to 25 July 2018
Kevin John Groth	Branch Assistant Treasurer	25 July 2018 to 31 December 2018
Anthony Paul Collins	Branch Assistant Treasurer	1 January 2018 to 31 December 2018
Peter John Thomas	Regional Representative – Northern Region	1 January 2018 to 31 December 2018
Grant Stanley Wilcox	Regional Representative – North Coast Region	1 January 2018 to 31 December 2018
Philip John Notaro	Regional Representative – South East Region	1 January 2018 to 31 December 2018
Anthony Paul Collins	Regional Representative – Metropolitan South Region	1 January 2018 to 31 December 2018
Martin Derek Bristow	Regional Representative – Far Northern Region	1 January 2018 to 31 December 2018
Kevin John Groth	Regional Representative – Central Region	1 January 2018 to 31 December 2018
Colin Mark Muller	Regional Representative – Southern Region	1 January 2018 to 31 December 2018
Kerrie Haines	Regional Representative – Metropolitan North Region	26 November 2018 to 31 December 2018
Shayne Robert Maxwell	Regional Representative – Metropolitan North Region	1 January 2018 to 30 June 2018
Shane Allan Prior	Regional Representative – Headquarters & Support	1 January 2018 to 31 December 2018

Signature of designated officer:



Name and title of designated officer: Ian Leavers, Branch President



17 June 2019

Ian Leavers
Branch President
Police Federation of Australia - Queensland Police Branch
Sent via email: pfaqld@qpu.asn.au

Dear Ian Leavers,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Police Federation of Australia - Queensland Police Branch (the reporting unit) ended on the 31 December 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on 1300 341 665 or via email at regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



21 January 2019

Mr Ian Leavers
Branch President
Police Federation of Australia - Queensland Police Branch
By Email: pfaqld@qpu.asn.au

Dear Mr Leavers,

**Re: Lodgement of Financial Report - [FR2018/378]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Police Federation of Australia- Queensland Police Branch (the reporting unit) ended on 31 December 2018. 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, namely on or before 31 March 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. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be 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 its rules) no later than 30 June 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 (see attached *Loans Grants and Donations* fact sheet FS 009). 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.

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.

GPO Box 2983, Melbourne VIC 3001
Telephone: 1300 341 665 | Email: regorgs@roc.gov.au
Website: www.roc.gov.au

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, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

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

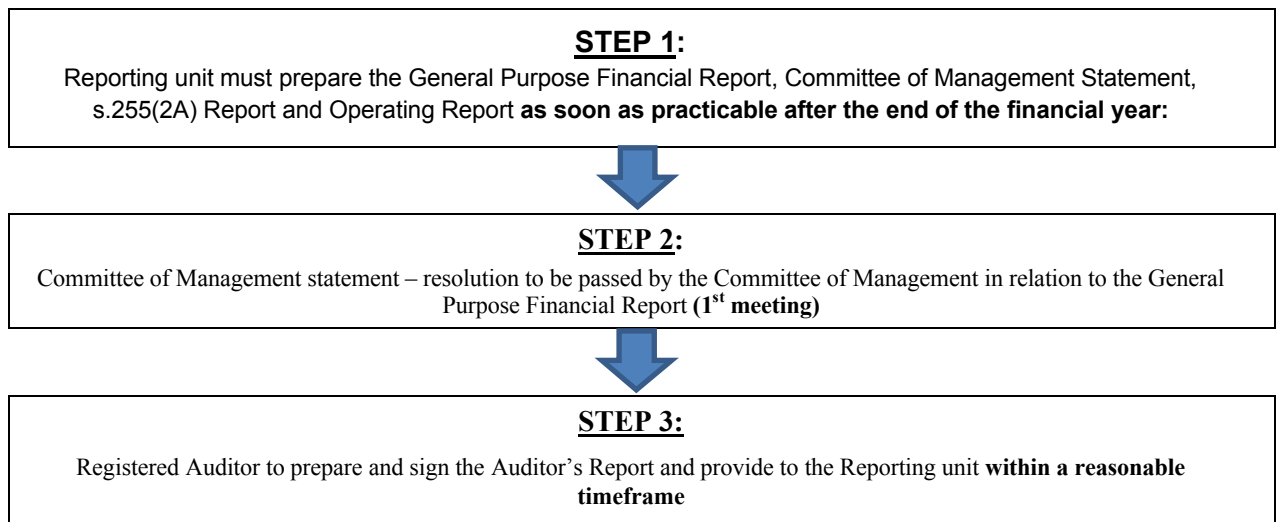


Fact sheet

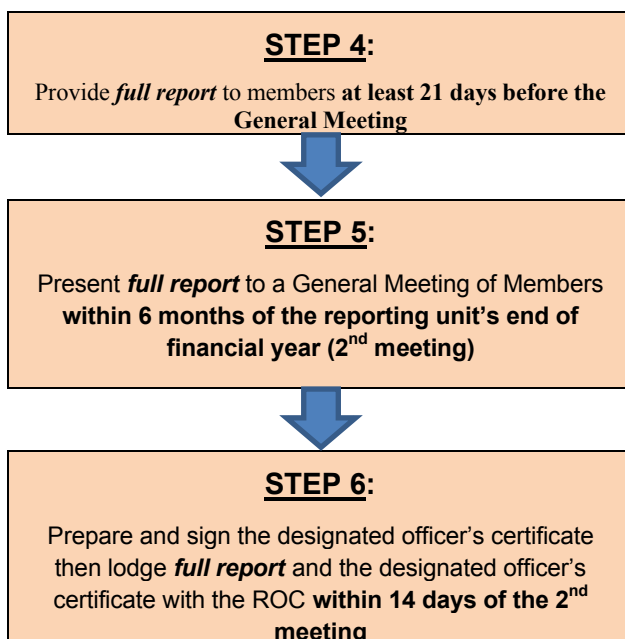
Summary of financial reporting timelines – s.253 financial reports

General Information:

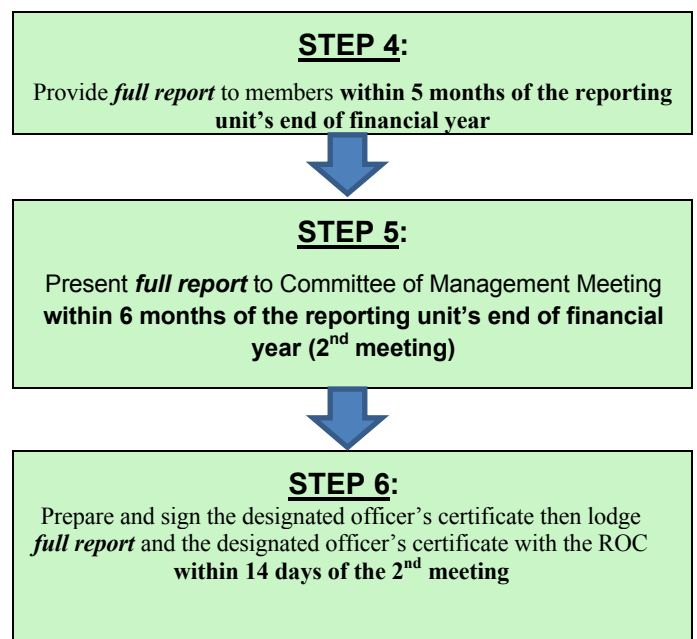
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



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





















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



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
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> 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</p> <p>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</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> 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</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> 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</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> 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</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> 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</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> 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)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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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
<p>X Only reporting units must lodge the Statement.</p>	<p>✓ 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.</p>
<p>X Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>
<p>X Statements can be lodged with the financial report.</p>	<p>✓ 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.</p>

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*

Grants:	2017	2016
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

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