



19 July 2016

Mr Jack Major
Branch Secretary
Australian Education Union, South Australian Branch
163 Greenhill Road
PARKSIDE SA 5063

via email: aeusa@asusa.asn.au

Dear Mr Major

Australian Education Union South Australian Branch Financial Report for the year ended 31 December 2015 - [FR2015/412]

I acknowledge receipt of the financial report of the Australian Education Union South Australian Branch (the reporting unit). The documents were lodged with the Fair Work Commission (FWC) on 22 June 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2016 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 reporting guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



Australian Education Union

SA Branch | 163 Greenhill Road, Parkside, SA 5063
phone: [08] 8272 1399 **email:** aeusa@aeusa.asn.au
fax: [08] 8373 1254 **website:** www.aeusa.asn.au

Your reference:
Our reference:

22 June 2016

Ms Bernadette O'Neill
General Manager
Fair Work Commission
GPO BOX 1994
MELBOURNE VICTORIA 3001

Dear Ms O'Neill

Re: Australian Education Union (SA Branch) Financial Reports

I certify that the documents lodged herewith are copies of the General Purpose Financial Report, Committee of Management Statement, Operating Report and Auditor's Report referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;

That in accordance with s.265 of the Fair Work (Registered Organisations) Act 2009 the full report was provided to members by publication on the AEU (SA Branch) website on 30 May 2016, and members were advised of publication on the website by notice in an e-News publication, provided free of charge to members of the Australian Education Union (SA Branch);

That the full report was presented to a meeting of the Committee of Management of the Reporting Unit on 20 June 2016 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jack Major".

JACK MAJOR
Branch Secretary

Enc:

**AUSTRALIAN EDUCATION UNION
(SOUTH AUSTRALIAN BRANCH)**

Financial Statements

For the year ended

31 December 2015

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AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31 December 2015.

The principal activity of the Union during the year was operating as a trade union within the Public Education industry within South Australia.

In March 2015 the South Australian Branch of the Union set priorities for the year consistent with the Strategic Objectives endorsed by AEU Federal Executive and adopted by the AEU nationally.

‘The AEU SA Priorities are consistent with the Federal AEU directions. They are:

1. Increase government funding to public schools, early childhood education centres and TAFE Institutes;
2. Enhance and support the professional status of AEU members in public education;
3. Protect and promote quality teaching and learning;
4. Protect and enhance the industrial rights of AEU members;
5. Promote human rights and social justice.

At a State level, the AEU will commit to the following priorities:

1. Growing the Union: Continue the Recruit, Retain, Engage campaign with sub-branches, sub-branch secretaries;
2. One Staff, One Union;
3. Enhance and support AEU links with community networks and public education allies;
4. Positively promote public education as in the AEU Charter of Public Education; vigorously oppose policy directions which are detrimental to public education and training, such as IPS, vouchers and the marketisation of education and training;
5. Strongly represent members’ interests in the issues associated with DECD restructure, Integrated Support Services, Partnerships;
6. Continue to pressure governments to honour a full six year commitment to the funding reforms arising from the Gonski recommendations;
7. Continue to engage members in the Enterprise Bargaining process, and prosecute our claim which protects and enhances AEU members’ rights;
8. Promote human rights, social justice and environmental sustainability’.”

Accordingly, the principal activities of the union throughout 2015 centred on achievement of these goals.

With enterprise agreements for members in both schools and preschools and TAFE expiring in the first half of the year, finalising an enterprise bargain framework that encompassed all membership sectors was a major activity of the union during the early months of the year. Endorsement of the union’s bargaining claim was followed by negotiations with employer representatives that had not reached satisfactory conclusions by 31 December.

A focus on recruitment and retention continued to be a key priority for the Branch to ensure that the union retains strong membership density in all education sectors. Membership stability was maintained through the conduct of recruitment blitzes and the implementation of successful strategies that have been utilised by other Branches and Associated Bodies of the Union to recruit and retain members, including the setting of recruitment targets. In particular, New Educators and lapsed members were a key priority for recruitment.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (Cont.)

Member training and development continued to play a critical role in providing the tools and strategies needed to encourage AEU members to actively engage and recruit their colleagues. AEU training and development activities were linked to building the capacity of AEU activists to effectively manage grievances at the local level. New Workplace Representative training continued to be a priority of the Union in order to develop the skills of new Sub-branch Secretaries and therefore increase the engagement of all members in worksites.

A campaigning priority continued to be full implementation of the funding reforms recommended by the Gonski Review, in particular the additional resourcing that would flow in years five and six of the implementation period. Particular campaigning emphasis was directed to the Coalition held Federal Electorate of Hindmarsh.

Yet another Department for Education and Child Development restructure which replaced regional structures with Education Partnerships brought with it school and preschool leader workload concerns.

Similarly a reduction in the number of centrally and regionally located staff with school and preschool advisory and support functions had the effect of shifting responsibility to local schools and preschools.

The provision of quality vocational education in South Australia continued to be a concern of the union. In May the State Government announced the abandonment of its Skills for All training reform agenda and its replacement with a rebadged contestable market funding program, Work Ready, which was introduced from 1 July 2015. While the change saw 90% of state government VET funding directed to TAFE SA, total funding was significantly less than TAFE had received in 2014. As a consequence the reduction in TAFE teaching staff through non-renewal of contracts and separation packages continued. The level of the union's TAFE Division membership has been adversely affected by this reduction in TAFE SA's training effort.

Preschool members campaigned for the continuation of the Universal Access guarantee of 15 hours of preschool education for all four year olds, and continued their workload campaign seeking resourcing for the increased administrative demands placed on staff in early childhood centres.

The financial results of those activities is a loss of \$120,291.

There has been no significant change in the Union's financial affairs during the year.

The number of persons who as at 31 December 2015 were employees of the Branch measured on a full time equivalent basis was 45.4.

The number of members as at 31 December 2015 was 13,394.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (Cont.)

Members may resign from the Union in accordance with Federal Rule 17 which reads:

“17 - Resignation from membership and termination of eligibility

- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
 - (a) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice;whichever is later.

To the best of the Committee of Management’s belief and knowledge, no officer or member of the Branch is

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) 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 the trustee or director is that the officer or member is an officer or member of a registered organisation.

The names of Branch Executive members in office at any time during the year are:

| | | | |
|--------------------|--------------------|---------------------|--------------------|
| David Smith | (President) | Jan Murphy | (Vice President) |
| Howard Spreadbury | (Vice President) | John (Jack) Major | (Branch Secretary) |
| Jenni-Marie Gorman | (Treasurer) | | |
| Jackie Bone-George | Trina Coburn | David Coulter | |
| Brett Ferris | Lara Golding | Peta Hanois | |
| Larry Higgins | Penny Karatzovalis | Anne Nutt | |
| Paul Petit | Trish Gilbert | Dash Taylor Johnson | |
| Chris Turrell | Malcolm Vaughan | Rhianna Woodbury | |

Note: All Committee Members are serving a 2 year term of office ending 31 December 2015.

Office holders are listed at the beginning of the Committee Member list. All other Committee Members are known as Ordinary Branch Executive Officers.

Federal Branch Rule 34(1C)C requires the disclosure to members the identity of the two highest paid officers of the Branch in terms of relevant remuneration for the disclosure period.


For the financial reporting period ending 31 December 2015 the two highest paid officers of the Branch were;

| | | |
|------------------------------|-----------|-------------------------------|
| Branch President David Smith | \$175,913 | no relevant non-cash benefits |
| Branch Secretary Jack Major | \$169,121 | no relevant non-cash benefits |

This declaration is made in accordance with a resolution of the Committee of Management

Signature of designated Officer

Name and title of designated officer


.....
Jack Major, Branch Secretary

Dated 30 May 2016

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

On the 30th May 2016 the Committee of the Management of Australian Education Union (SA Branch), passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2015:

The Committee of Management declares 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 General Manager of FWC;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Education Union (SA Branch) for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the year ended 31 December 2015 and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWC; and
 - (vi) where any order for inspection of financial records has been made by the FWC under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) The branch has not undertaken recovery of wages activity and no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management

Signature of designated Officer



Name and title of designated officer

Jack Major, Branch Secretary

Dated

30 May 2016

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Note | 2015 | 2014 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Revenue | | | |
| Membership Subscription | | 7,231,196 | 7,235,523 |
| Other Revenue | 2 | 311,727 | 334,497 |
| Total Revenue | | <u>7,542,923</u> | <u>7,570,020</u> |
| | | | |
| Total Income | | <u>7,542,923</u> | <u>7,570,020</u> |
| Expenses | | | |
| Governance expenses | | 827,876 | 835,542 |
| Administration & Personnel expense | | 1,268,224 | 1,342,626 |
| Operations expense | | 3,669,374 | 3,767,608 |
| Other Member Operations expense | | 1,469,369 | 1,464,866 |
| Property expense | | 428,371 | 406,965 |
| Total Expenses | 3(a) | <u>7,663,214</u> | <u>7,817,607</u> |
| (Loss) for the year | | <u>(120,291)</u> | <u>(247,587)</u> |
| | | | |
| Other Comprehensive Income | | | |
| Gain on revaluation of land and buildings | | - | 1,519,267 |
| Total Other Comprehensive Income | | <u>-</u> | <u>1,519,267</u> |
| | | | |
| Total comprehensive income attributable to members of the Union | | <u>(120,291)</u> | <u>1,271,680</u> |

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Retained Earnings | Asset Revaluation Reserve | Total |
|--|-------------------------|---------------------------------|--------------------------|
| | \$ | \$ | \$ |
| Balance at 1 January 2014 | 6,177,444 | 3,427,768 | 9,605,212 |
| Profit attributable to members of the Union | (247,587) | - | (247,587) |
| Other Comprehensive income for the year | | 1,519,267 | 1,519,267 |
| Balance as 31 December 2014 | <u>5,929,857</u> | <u>4,947,035</u> | <u>10,876,892</u> |
| Profit attributable to members of the Union | (120,291) | - | (120,291) |
| Balance as 31 December 2015 | <u><u>5,809,566</u></u> | <u><u>4,947,035</u></u> | <u><u>10,756,601</u></u> |

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

| | Notes | 2015 \$ | 2014 \$ |
|--------------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 248,609 | 41,379 |
| Receivables | 5 | 37,492 | 62,502 |
| Other current assets | 6 | 135,851 | 145,961 |
| Other Financial Assets | 7 | 6,144,672 | 6,061,602 |
| Total Current Assets | | 6,566,624 | 6,311,444 |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 8 | 6,966,776 | 7,100,608 |
| Financial Assets | 7 | 2 | 2 |
| Total Non-Current Assets | | 6,966,778 | 7,100,610 |
| Total Assets | | 13,533,402 | 13,412,054 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other Payables | 9 | 1,503,029 | 1,370,404 |
| Employee Provisions | 10 | 1,260,415 | 1,151,283 |
| Total Current Liabilities | | 2,763,444 | 2,521,687 |
| NON CURRENT LIABILITIES | | | |
| Employee Provisions | 10 | 13,357 | 13,475 |
| Total Non Current Liabilities | | 13,357 | 13,475 |
| TOTAL LIABILITIES | | 2,776,801 | 2,535,162 |
| NET ASSETS | | 10,756,601 | 10,876,892 |
| EQUITY | | | |
| Asset Revaluation Reserve | 11 | 4,947,035 | 4,947,035 |
| Retained Earnings | | 5,809,566 | 5,929,857 |
| Total Equity | | 10,756,601 | 10,876,892 |

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Note | 2015 | 2014 |
|---|-------------|-----------------------|----------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Subscriptions | | 8,132,516 | 7,930,478 |
| Journal Subscriptions & Advertising | | 29,364 | 34,423 |
| Payments to Suppliers and Employees | | (8,164,394) | (8,471,277) |
| Rent & Room Hire | | 81,520 | 80,749 |
| Interest Received | | 204,697 | 244,765 |
| Other Income | | 14,232 | 5,524 |
| Net Cash (Used in)/Provided by Operating Activities | 12(a) | <u>297,935</u> | <u>(175,338)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for Property, Plant and Equipment | | (7,635) | (134,097) |
| Proceeds from Sale of Equipment | | - | 40,867 |
| (Deposits to)/Withdrawals from Investments | | (83,570) | 242,385 |
| Staff Loans Issued | | (2,288) | (1,500) |
| Repayments of Staff Loans | | 2,788 | 1,920 |
| Net Cash From/(Used) in Investing Activities | | <u>(90,705)</u> | <u>149,575</u> |
| Net (Decrease)/Increase in Cash Held | | 207,230 | (25,763) |
| Cash and cash equivalents at the beginning of the financial year | | 41,379 | 67,142 |
| Cash and cash equivalents at the end of the financial year | 12(b) | <u><u>248,609</u></u> | <u><u>41,379</u></u> |

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 1 Accounting policies

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Education Union SA Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 1 Accounting policies (cont.)

The financial report covers Australian Education Union (South Australian Branch) which is a branch of a registered union under the Fair Work (Registered Organisations) Act 2009 in Australia.

The financial report was authorised for issue on 30th May 2016 by the Branch Executive.

The following is a summary of the significant accounting policies adopted by the organisation in the preparation of the financial statements.

(a) Property, Plant and Equipment

Property, plant and equipment transferred from South Australian Institute of Teachers have been recorded at their net written down value as at 31st December 1996. Property, plant and equipment acquired since 1st January 1997, are brought to account at cost or at independent valuation, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of all property, plant and equipment is reviewed annually to ensure it is not in excess of the remaining service potential of these assets.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

An independent valuation of the land and buildings was undertaken on 15th December 2014. The valuation was performed by Mr W Fudali FAPI, Certified Practising Valuer.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 1 Accounting policies (cont.)

(a) Property, Plant and Equipment (cont)

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful life using the straight line and diminishing value methods.

The depreciation rates used for each class of asset are as follows:

| | |
|----------------------|-----------|
| Buildings | 2.5% |
| Plant and Equipment | 15% - 50% |
| Furniture & fittings | 10% - 50% |
| Motor Vehicles | 15% - 30% |

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, and is included in income in the year of disposal.

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(b) Employee Benefits

Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to balance date. The provision recognises the employees' previous service with the South Australian Institute of Teachers. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled within one year have been measured at their nominal amount. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on National Government bonds with terms to maturity that match the expected timing of cash flows.

Provision for Long Service Leave for employees with more than five years service has been disclosed as a current liability and the balance as non-current.

(c) Trade & Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Branch as at 31 December 2015. Trade accounts are normally settled within 30 days.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 1 Accounting policies (cont.)

(d) Trade and Sundry Debtors

Trade and sundry debtors are normally settled within 30 days and are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful debts.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Critical Accounting Estimates and Judgements

The committee members 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 branch.

Key Estimates – Impairment

The branch assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(g) Impairment of Non-Financial Assets

At each reporting date, the branch 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 assets, 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 statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)

Note 1 Accounting policies (cont.)

(j) Revenue and other income

Subscription revenue is recognised as revenue in the period to which the subscription relates. To the extent that subscriptions are received for the following year, these are treated as subscriptions in advance at balance date.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Revenue is measured at the fair value of the consideration received or receivable.

(k) Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluation of non-current assets.

(l) Provisions

Provisions are recognised when the Union has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of amounts required to settle the obligation at the end of the reporting period.

(m) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. Settlement date accounting is adopted for financial assets. Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below:

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of each reporting period, the Union assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)

Note 1 Accounting policies (cont.)

(m) Financial Instruments (cont)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the [reporting unit] were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Liabilities

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)

Note 1 Accounting policies (cont.)

(n) Taxation

Australian Education Union (SA Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(o) Fair value measurement

The Australian Education Union SA Branch measures non-financial assets such as land and buildings at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability 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 for the asset or liability

The principal or the most advantageous market must be accessible by the [reporting unit]. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Australian Education Union (SA Branch) uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian Education Union (SA Branch) has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 1 Accounting policies (cont.)

New Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous year.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the Union elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Union's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2

| a) Other Revenue | 2015 | 2014 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Other Revenue | | |
| Interest | 195,809 | 227,099 |
| Rent | 52,914 | 52,216 |
| Room Hire | 23,085 | 21,763 |
| Other Income | 13,050 | 5,943 |
| Journal Advertising & Subscriptions | 26,694 | 27,476 |
| Donations | 175 | - |
| Total Other Revenue | <u>311,727</u> | <u>334,497</u> |

There were no Capitation fees, levies or grants received during the year ended 31 December 2015 (2014 \$nil).

No financial support was received from another reporting unit of the organisation.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 2 (cont)

| b) Grants or donations | \$ | \$ |
|--------------------------------------|----------------|----------------|
| Grants | | |
| Total Paid that were \$1,000 or less | - | - |
| Total Paid that exceeded \$1,000 | - | - |
| Donations | | |
| Total paid that were \$1,000 or less | 250 | 250 |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | <u>250</u> | <u>250</u> |
| | <u>===</u> | <u>===</u> |

| Note 3 | Profit for the year | 2015 | 2014 |
|---------------|----------------------------|-------------|-------------|
| | | \$ | \$ |

| | | | |
|------------|--|--------------------|--------------------|
| (a) | Expenses | | |
| | GOVERNANCE | | |
| | Branch, Area & Divisional Council Meetings | 86,164 | 85,928 |
| | Sub-branch Administration Grants | 4,307 | 3,727 |
| | Committee Expenses & Communication to Members | 18,027 | 40,396 |
| | Executive Expenses | 19,669 | 15,852 |
| | Donations | 250 | 250 |
| | Entertainment & Travel | 18,231 | 19,385 |
| | Travel sustentation | 860 | 645 |
| | Executive Allowances | 3,625 | 3,500 |
| | Salaries and related costs of Elected Officers | 676,743 | 665,859 |
| | Separation and Redundancies | - | - |
| | Total Governance | <u>827,876</u> | <u>835,542</u> |
| | | <u>=====</u> | <u>=====</u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| Note 3 | Profit for the year (cont.) | Note | 2015 | 2014 |
|---------------|---|-------------|------------------|------------------|
| | | | \$ | \$ |
| | ADMINISTRATION & PERSONNEL | | | |
| | Accountancy & Audit | 13 | 15,560 | 14,500 |
| | Bank Fees | | 55,909 | 57,050 |
| | Doubtful Debts | | - | - |
| | Entertainment & Travel | | 1,116 | 774 |
| | Fringe Benefits Tax | | 4,757 | 4,868 |
| | Insurance | | 4,991 | 4,832 |
| | Internet Access & Website | | 28,688 | 28,015 |
| | Legal Fees | | - | - |
| | Loss from sale of assets | | 1,182 | 13,029 |
| | Machine Maintenance | | 31,358 | 22,974 |
| | Postage | | 7,356 | 7,617 |
| | Printing & Stationery | | 14,042 | 22,421 |
| | Provision for Annual Leave | | (31,063) | 51,346 |
| | Provision for Long Service Leave | | 109,015 | 144,781 |
| | Provision for Sick Leave | | (30,000) | - |
| | Recruitment & Training | | 15,670 | 18,428 |
| | Salaries and related costs | | 679,388 | 659,987 |
| | Separation and redundancies | | - | - |
| | Computer Expenses | | 301,061 | 228,740 |
| | Sundry Expenses | | 8,966 | 12,487 |
| | Telephone & Fax | | 50,228 | 50,777 |
| | Total Administration & Personnel | | <u>1,268,224</u> | <u>1,342,626</u> |
| | OPERATIONS | | | |
| | Campaign & Publicity: | | | |
| | Advertising & Other Campaign Expenses | | 27,766 | 85,297 |
| | Media Consultancy & Monitoring | | 15,137 | 16,327 |
| | | | <u>42,903</u> | <u>101,624</u> |
| | Membership Records: | | | |
| | Stationery/Resources | | 9,784 | 2,203 |
| | Postage | | 12,566 | 12,707 |
| | Salaries and related costs | | 213,783 | 204,746 |
| | | | <u>236,133</u> | <u>219,656</u> |
| | Resource Centre: | | | |
| | Purchases | | 5,850 | 17,364 |
| | Salaries and Related Costs | | 213,053 | 214,300 |
| | Separation and redundancies | | - | - |
| | | | <u>218,903</u> | <u>231,664</u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| Note 3 | Profit for the year (cont.) | Note | 2015 \$ | 2014 \$ |
|------------|--------------------------------|------|------------|------------|
| (a) | Expenses (cont.) | | | |
| | Organisers: | | | |
| | Regional Office Expenses | | 7,781 | 7,288 |
| | Motor Vehicle Expenses | | 56,499 | 66,898 |
| | Depreciation - Motor Vehicles | | 40,915 | 37,897 |
| | Salaries and Related Costs | | 1,815,433 | 1,868,338 |
| | Separation and redundancies | | - | - |
| | Travel & Sundry Expenses | | 61,123 | 75,506 |
| | | | <hr/> | <hr/> |
| | | | 1,981,751 | 2,055,927 |
| | Industrial: | | | |
| | Enterprise Bargaining Expenses | | 505 | 3,581 |
| | Salaries and Related Costs | | 613,992 | 589,563 |
| | Separation and redundancies | | - | - |
| | Travel & Sundry Expenses | | 2,195 | 3,940 |
| | | | <hr/> | <hr/> |
| | | | 616,692 | 597,084 |
| | Communications: | | | |
| | AEU Journal - Printing | | 43,446 | 43,611 |
| | - Delivery | | 60,518 | 59,104 |
| | Travel & Accommodation | | 233 | 606 |
| | Salaries and Related Costs | | 293,518 | 293,267 |
| | Separation and redundancies | | - | - |
| | | | <hr/> | <hr/> |
| | | | 397,715 | 396,588 |
| | OPERATIONS (cont.) | | | |
| | Women's Officer: | | | |
| | Operating Expenses | | 40,265 | 42,656 |
| | Salaries and Related Costs | | 134,205 | 120,323 |
| | Separation and redundancies | | - | - |
| | Travel & Sundry Expenses | | 807 | 2,086 |
| | | | <hr/> | <hr/> |
| | | | 175,277 | 165,065 |
| | Total Operations | | <hr/> | <hr/> |
| | | | 3,669,374 | 3,767,608 |
| | | | <hr/> | <hr/> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| Note 3 | Profit for the Year (cont.) | 2015 | 2014 |
|---------------|--------------------------------------|-------------------------|-------------------------|
| | | \$ | \$ |
| (a) | Expenses (cont.) | | |
| | OTHER MEMBER OPERATIONS | | |
| | Legal Defence | 226,545 | 238,735 |
| | Union Development | 192,636 | 216,361 |
| | Member Professional Development | 72,554 | 77,094 |
| | International Support | 60,000 | 60,000 |
| | A.E.U. Affiliation | 586,620 | 559,686 |
| | Other Affiliations | 67,455 | 80,386 |
| | National Committees & Conferences | | |
| | Travel & other expenses | 6,212 | 9,636 |
| | Sustentation | 5,006 | 5,600 |
| | Salaries and Related Costs | 251,846 | 215,221 |
| | Separation and redundancies | - | - |
| | Travel and accommodation | 495 | 2,147 |
| | Total Other Member Operations | <u>1,469,369</u> | <u>1,464,866</u> |
| | PROPERTY | | |
| | Repairs & Maintenance | 50,542 | 44,145 |
| | Rates & Taxes | 70,811 | 62,485 |
| | Electricity | 45,286 | 50,443 |
| | Cleaning | 59,538 | 55,047 |
| | Insurance | 14,552 | 15,274 |
| | Sundry Property Expenses | 12,190 | 13,044 |
| | Depreciation | | |
| | - Furniture & Fittings | 9,427 | 9,248 |
| | - Plant & Equipment | 37,318 | 41,845 |
| | - Buildings | 52,625 | 37,500 |
| | Salaries and Related Costs | 76,082 | 77,934 |
| | Separation and redundancies | - | - |
| | Total Property | <u>428,371</u> | <u>406,965</u> |
| | Total Expenses | <u><u>7,663,214</u></u> | <u><u>7,817,607</u></u> |

There have been no expenses incurred as consideration for employers making payroll deductions of membership subscriptions during the year ended 31 December 2015 (2014 \$nil). No penalties were imposed on the organisation under the RO Act with respect to conduct of the AEU (SA branch).

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| Note 3 | Profit for the Year (cont.) | 2015 | 2014 |
|---------------|---|-----------------------------|-----------------------------|
| | | \$ | \$ |
| b) | Significant Revenue & Expenses | | |
| | The following significant revenue and expense items are relevant in explaining the financial performance: | | |
| | Legal Defence | | |
| | Litigation | 226,656 | 238,735 |
| | Other Legal Expenses | - | - |
| | Computer Expenses | 301,061 | 228,740 |
| | A.E.U. Affiliation | 586,620 | 559,686 |
| | | <u> </u> | <u> </u> |
| c) | Affiliations and Compulsory Levies | | |
| | Affiliations | | |
| | Australia Education Union (A.E.U.) | 586,620 | 559,686 |
| | SA Union | 66,091 | 77,057 |
| | Levies | - | - |
| | | <u> </u> | <u> </u> |
| | | <u>652,711</u> | <u>636,743</u> |
| | | <u> </u> | <u> </u> |
| Note 4 | Cash and Cash Equivalents | | |
| | Petty Cash | 400 | 400 |
| | Cash at Bank | 248,209 | 40,979 |
| | | <u> </u> | <u> </u> |
| | | <u>248,609</u> | <u>41,379</u> |
| | | <u> </u> | <u> </u> |
| Note 5 | Receivables | | |
| | Trade Debtors | 7,747 | 4,037 |
| | Provision for Doubtful Debts | - | - |
| | | <u> </u> | <u> </u> |
| | | <u>7,747</u> | <u>4,037</u> |
| | Sundry Debtors | 29,745 | 58,465 |
| | | <u> </u> | <u> </u> |
| | | <u>37,492</u> | <u>62,502</u> |
| | | <u> </u> | <u> </u> |

Note: Trade Debtors include \$nil (2014 \$566) in relation to amounts receivable from the Australian Education Union.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| | 2015 | 2014 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Note 6 | | |
| Other Current Assets | | |
| Prepayments | 135,851 | 145,961 |
| | <u> </u> | <u> </u> |
| | | |
| Note 7 | | |
| Other Financial Assets | | |
| Investments - Current | | |
| Credit Union SA Deposits | 3,406,434 | 3,287,086 |
| Bank SA: | | |
| At call Savings | 273,882 | 337,879 |
| Term Deposit/Bank Bills | 962,646 | 934,427 |
| Members Equity Deposit | 1,500,000 | 1,500,000 |
| Staff Computer Loans | 1,710 | 2,210 |
| | <u> </u> | <u> </u> |
| | <u>6,144,672</u> | <u>6,061,602</u> |
| | | |
| Investments - Non-current | | |
| Credit Union SA Share | | |
| - at cost | 2 | 2 |
| | <u> </u> | <u> </u> |
| | | |
| Note 8 | | |
| Property, Plant & Equipment | | |
| Land and Buildings | | |
| An independent valuation of the land and buildings was undertaken on 15 th December 2014. The valuation was performed by W Fudali FAPI, Certified Practising Valuer. | | |
| Greenhill Road – at independent valuation | 6,175,000 | 6,175,000 |
| Accumulated Depreciation | (48,125) | - |
| | <u> </u> | <u> </u> |
| | 6,126,875 | 6,175,000 |
| | | |
| Porter Street – at independent valuation | 600,000 | 600,000 |
| Accumulated Depreciation | (4,500) | - |
| | <u> </u> | <u> </u> |
| | 595,500 | 600,000 |
| | | |
| Works of Art – at cost | 36,300 | 36,300 |
| | <u> </u> | <u> </u> |
| | | |
| Plant & Equipment - at cost | 392,736 | 442,249 |
| Accumulated Depreciation | (357,981) | (372,931) |
| | <u> </u> | <u> </u> |
| | 34,755 | 69,318 |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| | 2015 | 2014 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Note 8 Property, Plant & Equipment (cont.) | | |
| Furniture and Fittings - at cost | 218,859 | 215,161 |
| Accumulated Depreciation | (185,102) | (175,675) |
| | <u>33,757</u> | <u>39,486</u> |
| Motor Vehicles - at cost | 272,768 | 272,768 |
| Accumulated Depreciation | (133,179) | (92,264) |
| | <u>139,589</u> | <u>180,504</u> |
| Total property, plant & equipment | <u><u>6,966,776</u></u> | <u><u>7,100,608</u></u> |

| | <u>2015</u> | | | | | | |
|------------------|------------------|----------------|----------------|----------------------|-------------------------|-------------------|------------------|
| | G/Hill Rd | Porter St | Work of Art | Plant & Equipment | Furniture & Fittings | Motor Vehicles | Total |
| Opening WDV | 6,175,000 | 600,000 | 36,300 | 69,318 | 39,486 | 180,504 | 7,100,608 |
| Additions – cost | - | - | - | 3,937 | 3,698 | - | 7,635 |
| Disposals | - | - | - | (1,182) | - | - | (1,182) |
| Depreciation | (48,125) | (4,500) | - | (37,318) | (9,427) | (40,915) | (140,285) |
| Closing WDV | <u>6,126,875</u> | <u>595,500</u> | <u>36,300</u> | <u>34,755</u> | <u>33,757</u> | <u>139,589</u> | <u>6,966,776</u> |

| | <u>2014</u> | | | | | | |
|------------------|------------------|----------------|----------------|----------------------|-------------------------|-------------------|------------------|
| | G/Hill Rd | Porter St | Work of Art | Plant & Equipment | Furniture & Fittings | Motor Vehicles | Total |
| Opening WDV | 4,806,233 | 487,000 | 36,300 | 81,014 | 48,180 | 168,904 | 5,627,631 |
| Additions – cost | - | - | - | 33,610 | 552 | 99,935 | 134,097 |
| Revaluations | 1,406,267 | 113,000 | - | - | - | - | 1,519,267 |
| Disposals | - | - | - | (3,461) | 725 | (50,438) | (53,174) |
| Depreciation | (37,500) | - | - | (41,845) | (9,971) | (37,897) | (127,213) |
| Closing WDV | <u>6,175,000</u> | <u>600,000</u> | <u>36,300</u> | <u>69,318</u> | <u>39,486</u> | <u>180,504</u> | <u>7,100,608</u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| | 2015 | 2014 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Note 9 | | |
| Trade and Other Payables | | |
| Accrued Expenses | 422,488 | 392,115 |
| Subscriptions in advance | 451,311 | 287,996 |
| Employee Benefits | | |
| Provision for Annual Leave | | |
| Elected Officers | 108,466 | 96,157 |
| Other employees | 470,764 | 514,136 |
| | <u>579,230</u> | <u>610,293</u> |
| Provision for Sick Leave | | |
| Elected Officers | 10,000 | 10,598 |
| Other employees | 40,000 | 69,402 |
| | <u>50,000</u> | <u>80,000</u> |
| | <u>1,503,029</u> | <u>1,370,404</u> |

Note: Accrued Expenses include \$nil (2014 \$nil) in relation to amounts payable to the Australian Education Union. Accrued Expenses include \$2,389 (2014 \$2,324) in relation to salary and oncost obligations for Elected Officers; \$6,735 (2014 \$35,797) in relation to legal costs and there are no amounts outstanding in relation to consideration to employers for payroll deductions of membership deductions (\$nil 2014).

Total Trade and Other Payables are expected to be settled in:

| | | |
|------------------------|------------------|------------------|
| No more than 12 months | 1,471,224 | 1,189,028 |
| More than 12 months | 31,805 | 181,376 |
| | <u>1,503,029</u> | <u>1,370,404</u> |

Note 10 **Employee Provisions**

Current

| | | |
|----------------------------------|------------------|------------------|
| Provision for Long Service Leave | | |
| Elected Officers | 221,384 | 164,885 |
| Other employees | 1,039,031 | 986,398 |
| Separation and redundancies | - | - |
| | <u>1,260,415</u> | <u>1,151,283</u> |

Non Current

| | | |
|----------------------------------|---------------|---------------|
| Provision for Long Service Leave | | |
| Elected Officers | - | - |
| Other employees | 13,357 | 13,475 |
| Separation and redundancies | - | - |
| | <u>13,357</u> | <u>13,475</u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| | | 2015 | 2014 |
|----------------|----------------------------------|------------------|------------------|
| | | \$ | \$ |
| Note 11 | Equity | | |
| a) | Asset Revaluation Reserve | | |
| | Balance at start of the year | 4,947,035 | 3,427,768 |
| | Transferred to reserve | - | 1,519,267 |
| | Balance as at end of year | <u>4,947,035</u> | <u>4,947,035</u> |

Note 12 Cash Flows

a) **Reconciliation of Net Profit to Net Cash Provided by Operating Activities**

| | | |
|--|----------------|------------------|
| Net (Loss)/ Profit | (120,291) | (247,587) |
| Depreciation: | | |
| - Motor Vehicles | 40,915 | 37,897 |
| - Furniture & Fittings | 9,427 | 9,248 |
| - Plant & Equipment | 37,318 | 41,845 |
| - Buildings | 52,625 | 37,500 |
| (Profit)/Loss on Sale of Equipment | 1,182 | 13,029 |
| Change in Assets and Liabilities: | | |
| (Increase)/Decrease in Trade Debtors | (3,710) | 8,912 |
| Decrease/(Increase) in Sundry Debtors | 28,720 | 2,328 |
| Decrease/(Increase) in Prepayments | 10,110 | 34,650 |
| (Decrease)/Increase in Payables | 193,688 | (309,287) |
| (Decrease) in Provision for Sick Leave | (30,000) | - |
| (Decrease)/Increase in Provision for Annual Leave | (31,063) | 51,346 |
| Increase in Provision for Long Service Leave | 109,014 | 144,781 |
| Net Cash (Used in)/Provided by Operating Activities | <u>297,935</u> | <u>(175,338)</u> |

b) **Reconciliation of Cash**

For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|--------------|----------------|---------------|
| Cash on hand | 400 | 400 |
| Cash at bank | 248,209 | 40,979 |
| | <u>248,609</u> | <u>41,379</u> |

c) **Credit Stand-by Arrangements and Loan Facility**

The Union has no credit stand-by arrangements or loan facilities in place.

d) **Non-Cash Financing and Investments Activities**

There were no non-cash financing and investing activities during the year.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

| | 2015 | 2014 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 12 | | |
| Cash Flows (cont.) | | |
| e) Transactions with other AEU branches | | |
| Receipts received from: | | |
| AEU Federal Office | 21,754 | 198 |
| AEU (ACT Branch) | - | - |
| AEU (Tas Branch) | - | - |
| AEU (Qld Branch) | - | 614 |
| AEU (Vic Branch) | - | 614 |
| | <u>21,754</u> | <u>1,426</u> |
| Total receipts received | <u>21,754</u> | <u>1,426</u> |
| Payments paid to: | | |
| AEU Federal Office | 653,152 | 664,463 |
| AEU (Victorian Branch) | 2,078 | 415 |
| | <u>655,230</u> | <u>664,878</u> |
| Total Payments paid | <u>655,230</u> | <u>664,878</u> |
| Note 13 | | |
| Auditor's Remuneration | | |
| Amounts received or due and receivable by auditors for: | | |
| - auditing or reviewing the financial report | 15,560 | 14,500 |
| - other services | - | - |
| | <u>15,560</u> | <u>14,500</u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 14 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

The names of Executive members who have held office during the year are:

| | |
|------------------------------------|--------------------------------------|
| David Smith (President) | Jan Murphy (Vice President) |
| Howard Spreadbury (Vice President) | John (Jack) Major (Branch Secretary) |
| Jennie-Marie Gorman (Treasurer) | Jackie Bone-George |
| Trina Coburn | David Coulter |
| Brett Ferris | Lara Golding |
| Peta Harnois | Larry Higgins |
| Penny Karatzovalis | Anne Nutt |
| Paul Petit | Trish Gilbert |
| Dash Taylor Johnson | Chris Turrell |
| Malcolm Vaughan | Rhianna Woodbury |

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31 December 2015, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$570,042 (2014 \$557,715). The aggregate amounts paid during the year ended 31st December 2015 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$77,082 (2014 \$75,521). There were no other transactions with key management personnel or their close family members.

Note 15 Employee expenses

| | 2015 | 2014 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Holder of office: | | |
| Wages and salaries | 565,171 | 552,737 |
| Superannuation | 77,082 | 74,252 |
| Leave and other entitlements | 55,737 | 84,594 |
| Separation and redundancies | - | - |
| Other employee expenses | 33,706 | 38,153 |
| Subtotal employee expenses for holders of office | <u>731,696</u> | <u>749,736</u> |
| Employees other than office holders | | |
| Wages and salaries | 3,541,685 | 3,476,439 |
| Superannuation | 431,752 | 430,164 |
| Leave and other entitlements | 86,540 | 202,617 |
| Separation and redundancies | - | - |
| Other employee expenses | 227,945 | 250,207 |
| Subtotal employee expenses for non holders of office | <u>4,287,922</u> | <u>4,359,427</u> |
| Total employee expenses | <u><u>5,019,618</u></u> | <u><u>5,109,163</u></u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 16 Segment Information

The Union operates as a trade union in the Education industry within South Australia. The principal place of business is 163 Greenhill Road, Parkside, South Australia. The number of full time equivalent employees as at reporting date is 45.4.

Note 17 Financial Instruments Disclosure

(a) Interest rate risk

The Union's financial instruments consist mainly of deposits with banks, short term investments, amounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are also set out below.

| <u>2015</u> | Floating Interest rate | Fixed interest Maturing in 1 year or less | Non interest bearing | Total |
|---|---------------------------|--|-------------------------|-------------------|
| Financial assets | | | | |
| Cash on hand and in banks | 248,208 | - | 400 | 248,608 |
| Investments – other than public investments | 273,882 | 4,445,436 | 1,710 | 4,721,028 |
| Trade and other debtors | - | - | 173,343 | 173,343 |
| | <u>522,090</u> | <u>4,445,436</u> | <u>175,453</u> | <u>5,142,979</u> |
| Weighted average interest rate | 1.5% | 3.3% | | |
| Financial Liabilities | | | | |
| Accrued Expenses | - | - | 422,813 | 422,813 |
| Subscriptions in advance | - | - | 451,311 | 451,311 |
| | <u>-</u> | <u>-</u> | <u>874,124</u> | <u>874,124</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | | | | |
| <u>2014</u> | Floating Interest rate | Fixed interest Maturing in 1 year or less | Non interest bearing | Total |
| Financial assets | | | | |
| Cash on hand and in banks | 40,979 | - | 400 | 41,379 |
| Investments – other than public investments | 329,767 | 5,721,513 | 2,210 | 6,053,490 |
| Trade and other debtors | - | - | 208,463 | 208,463 |
| | <u>370,746</u> | <u>5,721,513</u> | <u>211,073</u> | <u>6,303,332</u> |
| Weighted average interest rate | 2.1% | 3.7% | | |
| Financial Liabilities | | | | |
| Accrued Expenses | - | - | 392,115 | 392,115 |
| Subscriptions in advance | - | - | 287,996 | 287,996 |
| | <u>-</u> | <u>-</u> | <u>680,111</u> | <u>680,111</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 17 Financial Instruments Disclosure (cont.)

(b) Credit Risk Exposure

Credit risk on financial assets represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the Australian Education Union (SA Branch) which have been recognised in the balance sheet is the carrying amount, net of any provision for doubtful debts.

(c) Net Fair Values of Financial Assets and Financial Liabilities

Net fair value of financial assets and financial liabilities are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amounts of cash on hand and in banks, investments, trade and other debtors, prepayments, accrued expenses and subscriptions in advance are not materially different from their net fair values.

(d) Financial Risk Management Policies

The Union's Executive is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The Executive monitors the Union's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held quarterly and minuted by the committee of management.

The Executive's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls

(e) Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit | Equity |
|------------------------------------|-----------|-----------|
| | \$ | \$ |
| Year ended 31 December 2015 | | |
| + 2% in interest rates | 124,588 | 124,588 |
| - 2% in interest rates | (119,287) | (119,287) |
| Year ended 31 December 2014 | | |
| + 2% in interest rates | 127,923 | 127,923 |
| - 2% in interest rates | (123,337) | (123,337) |

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 (CONT.)**

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

Sub-section 272(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

Sub-section 272(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

Sub-section 272(3) A reporting unit must comply with an application made under subsection(1)

AUSTRALIAN EDUCATION UNION (SA BRANCH)**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)****Report on the Financial Report**

We have audited the accompanying financial report of the Australian Education Union (SA Branch) ('the Union'), which comprises the statement of financial position as at 31 December 2015, statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the statement by the Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines of Division 3 of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement to the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

AUSTRALIAN EDUCATION UNION (SA BRANCH)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH) (CONT)**

Audit Declarations

We have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

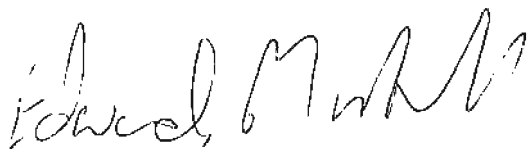
The auditor is an approved auditor in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Opinion

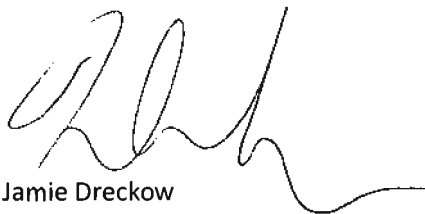
In our opinion,

- a) the financial report presents fairly, in all material respects, the financial position of the Australian Education Union (SA Branch), as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines of Division 3 of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*; and
- b) complies with International Financial Reporting Standards as disclosed in Note 1.

We have obtained all of the information and explanations required from the Union.



Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner
Chartered Accountant
Registered Company Auditor #222051
Certificate of Public Practice #87396

Adelaide
South Australia

30 May 2016



9 June 2016

Mr Jack Major
Secretary
Australian Education Union-South Australian Branch

Sent via email: aeusa@aeusa.asn.au

Dear Mr Major,

Lodgement of Financial Report - Reminder to lodge on or before 15 July 2016

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Education Union-South Australian Branch (the reporting unit) ended on the 31 December 2015.

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 completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 2016, and in any event no later than 14 days after the relevant meeting.**

The Commission 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 General Manager 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 General Manager 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 \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.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 (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



15 January 2016

Mr Jack Major
Secretary
Australian Education Union-South Australian Branch
Sent via email: aeusa@aeusa.asn.au

Dear Mr Major,

**Re: Lodgement of Financial Report - [FR2015/412]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Education Union-South Australian Branch (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. 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. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

| | | |
|--|-----|--|
| Financial reporting period ending: | / / | |
| Prepare financial statements and Operating Report. | | |
| <p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p> | / / | As soon as practicable after end of financial year |
| Auditor's Report prepared and signed and given to the Reporting Unit - s257 | / / | <p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p> |
| <p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. | / / | <p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p> |
| Present full report to: | | |
| (a) General Meeting of Members - s266 (1),(2); OR | / / | Within 6 months of end of financial year |
| (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3) | / / | Within 6 months of end of financial year |
| Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268 | / / | Within 14 days of meeting |

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.