



14 October 2014

Ms Lee Thomas
Federal Secretary
Australian Nursing and Midwifery Federation
email: fedsec@anmf.org.au

cc: Peter Shields, Saward Dawson, email: contact@youraccountant.com.au

Dear Ms Thomas,

**Australian Nursing and Midwifery Federation
Financial Report for the year ended 30 June 2013 [FR2013/168]**

I acknowledge receipt of the financial report of the Australian Nursing and Midwifery Federation. The documents were lodged with the Fair Work Commission on 7 March 2014. I also acknowledge receipt on 9 October 2014 of a letter containing supplementary information addressing the issues raised in my letter of 22 July 2014. Additional information was provided by your Auditor via email on 1 October 2014 and 9 October 2014.

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

Changes to the reporting guidelines and model financial statements

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,

Rebecca Lee
Regulatory Compliance Branch



9 October 2014

Ms R Lee
Regulatory Compliance Branch – Fair Work Commission
GPO Box 1994
Melbourne VIC 3001

Dear Rebecca

**Australian Nursing and Midwifery Federation
Financial Report for the year ended 30 June 2013 [FR2013/168]**

We received your letter dated 22 July 2014 and we have written this letter in response to your queries.

Generally we accept your comments and have taken them into consideration for our FY 2013/2014 general purpose financial report (GPFR). However, we do not believe the issues raised would materially misstate ANMF's GPFR for the year ended 30 June 2013. We hope this letter is sufficient to address your concerns.

1. Date of Committee of Management Resolution and meeting

The final GPFR was circulated to the Federal Council on 27 February 2014 and the Federal Council passed its resolution with respect to the GPFR on 7 March 2014. The auditor's report was also signed on 7 March 2014. The signed financial report was then presented to the members and Federal Council.

We acknowledge our financial report lodgement for the year ended 30 June 2013 was late, and we are taking measures to ensure this issue is not repeated. We hope the Fair Work Commission would not impose any penalty as we seek to meet the requirements in the future.

2. Operating report

The principle activity of the Federation during the financial year 2012-2013 was the industrial and professional representation of nurses, midwives and assistants in nursing. No significant change in nature of these activities occurred during the year.

In our operating report, we have included the Federal Industrial Report, Federal Professional Report and the Campaigns and Political Report (page 3 – 8 of the GPFR) which explains the results of our principle activities. We believe these reports are sufficient to meet the requirement of subsection 254(2)(a) of the RO Act.

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ANMF Journals

**Australian Nursing and
Midwifery Journal**
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**Australian Journal of
Advanced Nursing**
E ajan@anmf.org.au

ABN 41 816 898 298



As for the financial affairs, there were no significant changes during the financial year.

3. Notes to the financial statement

Note 1 of financial report provides a summary of significant accounting policies which includes the measurement basis (or bases) used in preparing the financial statements and other accounting policies used that are relevant to an understanding of the financial statements.

Additional accounting policies requested as follow:

Revenue

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

Revenue from rendering of a service is recognised upon the delivery of the service to the customer.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

Capitation fees are to be recognised on an accrual basis and recorded as revenue in the year to which it relates.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entity, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are amortised on a diminishing value basis over their estimated useful lives, where it is likely that the entity will obtain ownership of asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Contingent assets and liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is



probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Government grants

Government grants are recognised in the profit or loss when the entity obtains control of the grant and it is probable the economic benefits gained from the grant will flow to the entity and the amount of the grant or sponsorship can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

4. Related parties disclosure

We confirm that all related party transactions have been appropriately disclosed within the GPFR.

5. Disclosure of employee expenses/provisions for office holders and other employees

We confirm there were no separation and redundancies paid during the financial year ended 30 June 2013.

6. Transactions with other reporting units

Going concern

The Australian Nursing and Midwifery Federation relies on the capitation fee from the state and territory Branches to continue as going concern. The Federal Council has no reason to believe the Branches will not continue to support the Federation. This has been disclosed in note 21 of the Federal's GPFR.

The Federation has not received any other financial support from other reporting units.

Receivables from and liabilities to other reporting units

Note 5a discloses the trade receivables from other reporting units which is complete.

There is only one payable of \$493 to ANMF Tasmania that we agree should be disclosed. Going forward, we will ensure all payables to other reporting units are disclosed in the financial report.

Inter-reporting unit reconciliations

Australian Capital Territory Branch

The cash flow of \$73,016 from the Branch as disclosed in note 12b in the Federal Office GPFR only consist of cash receipt from Australian Nursing & Midwifery Journal subscription fee and capitation fee. It does not include the cash receipt from:

- Payroll tax reimbursement - \$36,078
- Campaign contribution from branch - \$7,047
- 11th Biennial National Conference 2013 (reimbursement received) – \$858
- Less reimbursements paid to ANMF ACT – (\$5,302)

Cash flow reported by ANMF ACT was \$111,658. The difference of \$39 is not considered to materially misstate the GPFR.



The receivable of \$5,736 in note 5a of the Federal Office GPFR is correct. ANMF ACT did not include this payable in their financial report because they only knew about those invoices after the completion of their audit. Since the outstanding amount is unlikely to misstate the Branch GPFR as a whole, no prior year restatement is made.

New South Wales Branch

The difference in cash flow between the Federal Office and Branch GPFR is the GST component. The Federal Office has reported the cash flow net of GST but the Branch GPFR has included GST in their total cash receipt.

QNU Branch

The receivable of \$22,149 is with Queensland Nurses Union (QNU), which is a State Registered Trade Union. The Queensland Nurses Union operates the accounts of ANMF Qld Branch which we account for in our receivables.

South Australian Branch

The cash flow disclosed in the Federal Office GPFR is accurate. \$286,354 shown in ANMF SA's GPFR is the total capitation fee invoiced for the financial year ended 30 June 2013 and the difference relates to timing of cash received.

The receivable of \$499 disclosed in the Federal Office GPFR is accurate. However, a credit note was subsequently issued on 1 March 2014.

Tasmania Branch

The income reported in the Federal Office GPFR is accurate. The difference is due to two invoices dated June 2011 and April 2012 which were only accounted for in the financial year ended 2013 in ANMF TAS books. Those invoices were:

- June 2011 Capitation fee - \$7,031.00 (inclusive of GST)
- April 2012 ANMJ Subscription fee - \$9,507.89 (inclusive of GST)

The cash flow of \$237,653 reported in the Federal Office GPFR consists of only subscription fees and capitation fees. The reported amount is net of GST. The GST was not included on the basis that the GST received was subsequently remitted to the ATO. To reconcile the difference with ANMF TAS, the following cash receipts are to be included:

- Shared event cost = \$22,402
- ACTU Levy contribution = \$9,532
- GST from subscription fee and capitation fee = \$22,057

We agree the Federal Office GPFR should include a payable of \$493 to ANMF TAS.

Victorian Branch

The subscription fees reflected in the Federal Office GPFR of \$1,080,280 (exc. GST) is correct.

The subscription fees in the Branch GPFR includes subscription fees from other companies and is not solely tax invoices from the Federal Office. We agree the cash flow from subscription fees and payable to the Federal Office should be disclosed in the Branch GPFR and it will be done for the 2014 financial report.



Western Australian Branch

The receivable in Note 5a of the Federal Office GPFR is accurate. ANMF WA Branch disputed an invoice amounting to \$35,537 which is the reason why it was not disclosed in the WA Branch GPFR. The Federal Office has made the decision to write off that invoice in the 2013/2014 financial year.

7. Other activities under Reporting Guidelines not disclosed

We confirm the following:

- There were no acquired assets and liabilities as part of a business combination during the financial year ended 30 June 2013.
- There were no entrance fees or periodic subscriptions received with respect to membership of the organisation.
- No fees and allowances were paid to persons in respect of their attendance as representatives of the reporting unit at conferences or other meetings.
- Australian Nursing and Midwifery Federation paid \$295,254 to the Australian Council of Trade Union (ACTU) levy during the financial year ended 30 June 2013. This levy is supported by the state and territory Branches as follow:
 - ANMF ACT - \$2,768
 - ANMF NT - \$3,424
 - ANMF SA - \$29,784
 - Queensland Nurses Union - \$64,930
 - ANMF TAS - \$8,666
 - ANMF VIC - \$87,257
 - ANMF WA - \$32,306

The net ACTU levy paid by the Federal Office was \$66,119.70 as reported in note 3e of the financial report. The amount reported of \$66,119.70 was the amount remaining after the Branch contributions had been deducted. We showed a net value of ACTU levy paid on the basis that it was an agency arrangement and ANMF did not benefit from those contributions. Going forward, we will disclose these values separately in the GPFR for better transparency.

8. Statement of loans, grants and donations

We have disclosed grants and donations that exceed \$1,000 in Note 3d of the financial report for the year ended 30 June 2013. No individual loan of more than \$1,000 was provided during the financial year.

The Federal Office did not provide any grants exceeding \$1,000 during the financial year.

The grants reported in the operating statement refers to project expenses for which funding was received.

A statement of loans, grants and donation exceeding \$1,000 for the financial year ending 30 June 2013 is attached to this letter. We understand this statement should be lodged within 90 days of the end of its financial year and we request an extension to enable this statement to be filed.

9. Summary

We hope this letter has answered your questions and is sufficient to enable the Australian Nursing and Midwifery Federation's financial statements for the year ended 30 June 2013 to be filed.




Australian
Nursing &
Midwifery
Federation

Please do not hesitate to contact us should you have further questions or any other concerns.

Yours sincerely

Lee Thomas
Federal Secretary
Australian Nursing and Midwifery Federation

From: [Paul Tan](#)
To: [LEE, Rebecca](#)
Cc: [Dorothy Abicic](#)
Subject: FW: ANMF response to FWC
Date: Thursday, 9 October 2014 11:58:46 AM
Attachments: 

Dear Rebecca,

We noted that there is a slight mistake in our explanation for the transaction with Victorian Branch in the email below. Please allow us to clarify the situation.

Total subscription fee recorded in the Victorian Branch GPFR was \$1,335,669. This amount includes \$163,156 paid to Strike Marketing for ANMF Vic's monthly newsletter "On The Road". Only the remaining \$1,172,513 relates to payments made to ANMF Federal Office.

The subscription fee reported in ANMF Federal Office GPFR was \$1,080,280 for the financial year ended 30 June 2013. There is a difference of \$92,233 caused by an invoice issued to ANMF Vic Branch in September 2011 but ANMF Vic only recorded this invoice and paid this amount in the subsequent financial year. Hence, Victorian Branch reported a higher subscription fee than the Federal Office.

Going forward, all transactions between the Federal Office and the state branches will be reconciled on a timely basis. Such discrepancy issues will be reduced.

Please do not hesitate to contact us should you have further questions.

Regards
Paul Tan



www.sawarddawson.com.au

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From: Paul Tan
Sent: 1 October 2014 5:55 PM
To: 'LEE, Rebecca'
Cc: Dorothy Abicic
Subject: ANMF response to FWC

Dear Rebecca,

In regards to Australian Nursing and Nursing Federation (ANMF) letter of response to you, the additional information requested are as follow:

Cash flow with New South Wales Branch

The cash flow to Federal Office reported in the Branch GPFR of \$955,115 is GST inclusive.

The cash flow from NSW Branch reported in GPFR of \$850,921 is calculated as follows:

Total Capitation Fees Invoiced during the year (GST exclusive)	\$1,041,944
Less: Capitation Fees unpaid as at 30 June 2013 (GST Inclusive)	\$ 191,023
Capitation Fees Reported	\$ 850,921

The correct cash flow from NSW Branch (GST exclusive) is \$868,287. The difference of \$17,366, being GST, should not be considered to materially misrepresent the financial statements. This has been noted, and consistencies concerning GST will be applied to the GPFR for the year ended 30 June 2014.

Transaction with Victorian Branch

Included in subscription fee in the Victorian Branch's GPFR is invoices from other provider (Strike OTR Cost) of \$163,156. This is the difference between the amount disclosed in the Federal office's GPFR and the Victorian Branch's GPFR. Please contact the Victorian Branch should you require detail information about the additional subscription fee in the Victorian Branch. As far as the Federal Office is concern, the amount disclosed is correct.

Updated letter of response

Please find attached the revised letter of response based on our discussions. You will find that there is still a difference of \$290 between the Federal office's cash flow and the ACT Branch's GPFR cash flow which we cannot reconcile. Since the amount is clearly trivial, we hope that you would accept our explanation.

Please do not hesitate to contact us should you have any questions.

Regards
Paul Tan



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22 July 2014

Ms Lee Thomas
Federal Secretary
Australian Nursing and Midwifery Federation
via email: fedsec@anmf.org.au

cc: Peter Shields, Seward Dawson

Dear Ms Thomas,

**Australian Nursing and Midwifery Federation
Financial Report for the year ended 30 June 2013 [FR2013/168]**

I acknowledge receipt of the financial report of the Australian Nursing and Midwifery Federation. The documents were lodged with the Fair Work Commission on 7 March 2014.

The financial report has **not** been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RGs) made under section 255 of the RO Act and Australian Accounting Standards. Model financial statements are also available on the FWC website to assist organisations in preparing returns.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to [Financial reporting process](#) which explains the timeline requirements, and [Summary of financial reporting timelines](#) which sets out the timeline requirements in diagrammatical form.

Clarification is sought from the Australian Nursing and Midwifery Federation regarding the timing of the following events:

Date of Committee of Management resolution and meeting

The Statement by the Federal Council was signed on 7 March 2014 but does not indicate the date that the resolution relating to the GPFR and Operating Report was made.

The Designated Officer's certificate states that the GPFR was presented to Federal Council on 27 February 2014. The auditor's report was signed on 7 March 2014.

If the Full Report was presented to a meeting of the Federal Council on 27 February 2014, it appears that it had not been audited. It is also unclear when the resolution by Federal Council was made.

Please confirm as soon as possible:

1. The date that the Federal Council passed its resolution with respect to the GPFR.
2. The date that the Full Report was presented to a meeting of Federal Council.

I also note that the following timescale requirements were not met:

Preparation of the General Purpose Financial Report (GPFR)

Sections 253 and 254 of the RO Act require that a GPFR and an Operating Report be prepared as soon as practicable after the end of the financial year. Section 266 requires that the financial report be presented to a General Meeting of members or a Committee of Management Meeting within six months after the end of the financial year.

It appears from the dates provided in the Designated Officer's certificate that the GPFR was prepared and the Full Report was presented to a meeting more than six months after 30 June 2013.

Please note that sections 253 and 254 are civil penalty provisions and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Reports must be provided to members within five months of the end of the financial year where the report is presented to a committee of management meeting

The Designated Officer's certificate states that the financial report was provided to members on 7 March 2014 and presented to a Committee of Management meeting on 27 February 2014 (see comments above). Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within five months of the end of the financial year.

Section 265(5) allows the reporting unit to apply for an extension of time for the provision of the financial report to members where the report is presented to a Committee of Management meeting. However, this period may only be extended by one month. As the Full Report was provided to members on 7 March 2014, more than six months after the end of the financial year, the time cannot be extended to cover the date that the report was provided to members.

Please note that section 265(5) is a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the Operating Report of the Australian Nursing and Midwifery Federation provides a review of the principal activities, but does not explain the results of these activities. Under the heading 'significant changes in financial affairs' is a statement that 'No significant change in the nature of these activities occurred during the year'. It is unclear whether this statement relates to the review of principal activities in accordance with subsection 254(2)(a) or the requirement to disclose changes in the organisation's financial affairs (see below). Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result nor significant *financial* changes. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

Significant changes in financial affairs

Subsection 254(2)(b) of the RO Act requires an operating report to give details of any significant changes in the reporting unit's financial affairs during the year. Although the Operating Report of the Australian Nursing and Midwifery Federation contains the heading 'significant changes in financial affairs', it is unclear whether the statement below the heading relates to the organisation's financial affairs.

Please provide a statement including the results of the organisation's principal activities and whether there were any changes in the nature of these activities, as well as a statement disclosing whether there have been significant changes in the organisation's financial affairs during the year.

Notes to the financial statements

Disclosure of accounting policies

Australian Accounting Standard AASB 101 Presentation of Financial Statements paragraph 117 states:

An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.

The accounting policies for revenue, leases, contingent assets and liabilities and government grants has not been provided.

Please provide these policies as soon as possible.

Related parties

Related party transactions

Note 20 Related Parties states:

The Federation undertook related party transactions with the State Branches in relation to the charging of Capitation and Subscription fees. These charges were based on the number of members per state branch and were on normal commercial terms.

Transaction with the state Branches refer to Note 2 and Note 5.

No other related party transactions are disclosed. Related party transactions are required to be disclosed under Australian Accounting Standard *AASB 124 Related Party Disclosures* Paragraph 18.

In accordance with *AASB 124 Related Party Disclosures*, a related party transaction 'is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged'.

Please confirm that all related party transactions have been appropriately disclosed within the GPFR. If not, the notes to the financial statements are required to be updated to include all relevant related party transactions.

Disclosure of employee expenses/provisions for office holders and other employees

Reporting Guidelines 17(f) and 17(g) require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office and employee expenses to other employees.

Note 3a Employee expenses discloses wages and salaries, superannuation, leave and other entitlements and other employee expenses separately for office holders and employees, but does not separately disclose separation and redundancies.

Please note that Reporting Guideline 18 requires that if this activity did not occur, a statement to this effect must be included in the GPFR.

Please confirm whether employee expenses relating to separation and redundancies were incurred by the Australian Nursing and Midwifery Federation with respect to office holders and other employees.

Transactions with other reporting units

Disclosure of financial support from another reporting unit

If the reporting unit is reliant upon the agreed financial support of another reporting unit of the organisation to continue as a going concern (Reporting Guideline 10), or if the reporting unit has agreed to provide financial support to ensure another reporting unit of the organisation has the ability to continue as a going concern (Reporting Guideline 11), this must be disclosed in the notes to the GPFR. Reporting Guideline 14 requires that if this has not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR.

In addition, the statement of comprehensive income or notes must disclose any other financial support received from another reporting unit of the organisation (Reporting Guideline 15(e)). If this has not occurred, a note to this effect must be included in the notes to the GPFR.

Receivables from and liabilities to other reporting units

Reporting Guideline 19 requires either the statement of financial position or the notes to disclose any receivables from and/or liabilities owed to other reporting units, including the name of the other reporting units. Note 5a discloses trade receivables from other reporting units but does not disclose any liabilities. If there are no payables to other reporting units, a statement to this effect must be included in the notes to the GPFR (see Reporting Guideline 20).

Consistency with financial reports of other reporting units

A comparison of the GPFR of the Australian Nursing and Midwifery Federation with the GPFRs lodged by branches of the organisation has revealed some apparent inconsistencies. Please provide an explanation for these inconsistencies. These include the following:

Australian Capital Territory Branch

The Federal GPFR discloses cash flow of \$73,016 from the Branch. The Branch GPFR discloses cash flow of \$111,658 to the Federal Office.

The Federal GPFR discloses a receivable of \$5,736 from the Branch for event costs, but no corresponding payable to the Federal Office is disclosed in the Branch GPFR.

New South Wales Branch

The Federal GPFR discloses a total cash flow of \$851,565 from the Branch, including \$850,921 for capitation fees and \$644 for subscription fees. However, the Branch GPFR discloses cash flow to the Federal Office of \$955,115.

QNU Branch

The Federal GPFR discloses a receivable of \$22,149 for event costs, but the Branch GPFR does not disclose any payables.

South Australian Branch

The Federal GPFR discloses cash flow from the Branch of \$309,773 for capitation fees and \$314,995 for subscription fees. The Branch GPFR discloses \$286,354 cash flow to the Federal Office.

The Federal GPFR discloses a receivable of \$499 for event costs, but the Branch GPFR states that it has no payables to other reporting units.

Tasmanian Branch

The Federal GPFR discloses income from the Branch of \$115,873 for capitation fees and \$104,691 for subscription fees. However, the Branch GPFR discloses expenditure to the Federal Office of \$122,904 for capitation fees and \$114,199 for subscription fees.

The Federal GPFR discloses total cash flow of \$237,653 from the Branch, whilst the Branch GPFR discloses cash flow of \$291,644 to the Federal Office.

The Branch discloses a receivable of \$493 from the Federal Office. The Federal GPFR does not disclose any payables to Branches. I note that the Federal and Branch GPFRs both disclose an amount of \$21,228 payable by the Branch to the Federal Office.

Victorian Branch

The Federal and Branch GPFRs disclose income/expenditure of \$1,143,095 to the Federal Office for capitation fees, but whilst the Federal GPFR discloses income of \$1,080,280 for subscription fees, the Branch GPFR discloses expenditure of \$1,335,669.

Both the Federal and Branch GPFRs also disclose cash flow to the Federal Office of \$1,143,095 for capitation fees, but whilst the Federal Office discloses cash flow \$1,288,835 for subscription fees, this is not disclosed in the Branch GPFR.

The Federal Office discloses a receivable of \$42,937 for Payroll Tax, but the Branch does not disclose payables to the Federal Office.

Western Australian Branch

The Federal Office discloses receivables of \$60 for capitation fees and \$35,537 for event costs. The Branch GPFR does not disclose corresponding payables.

Other activities under Reporting Guidelines not disclosed

Reporting Guidelines 14, 16 and 18 state that if the activities identified in Reporting Guidelines 13, 15 and 17 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no disclosures have been made with respect to whether the reporting unit:

- Acquired assets and liabilities as part of a business combination (Paragraph 13).
- Received entrance fees or periodic subscriptions with respect to membership of the organisation (Paragraph 15(a)).
- Received compulsory levies raised from members for the furtherance of a particular purpose (Paragraph 15(c)).
- Paid fees and allowances to persons in respect of their attendance as representatives of the reporting unit at conferences or other meetings (Paragraph 17(h)).

Please confirm whether the above activities occurred during the financial year ended 30 June 2013.

Statement of loans, grants and donations

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a reporting unit exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year.

The financial statements disclose grants and donations of \$41,173 during the financial year.

Before the financial report can be filed, we require a statement to be lodged which complies with section 237. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement.

A sample statement of loans, grants and donations is available on the [FWC website](#).

Changes to the reporting guidelines and model financial statements

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports for periods ending on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

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) 8661 7942 or by email at rebecca.lee@fwc.gov.au.

Yours sincerely,



Rebecca Lee
Regulatory Compliance Branch

SAWARD / DAWSON

chartered accountants

**Australian Nursing and
Midwifery Federation**
ABN: 41 816 898 298
(Formerly: Australian Nursing Federation)

Financial Statements
For the Year Ended
30 June 2013

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Financial Report

For the Year Ended 30 June 2013

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Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Certificate by Prescribed Designated Officer

For the Year Ended 30 June 2013

I, Lee Thomas, being the federal secretary of the Australian Nursing and Midwifery Federation certify that:

- (a) that the documents lodged here with are copies of the full report for the Federation for the period ended 30 June 2013
- (b) that the full report was provided to members of the Federation on 7 March 2014; and
- (c) that the full report was presented to a meeting of the Federal Council of the Federation on 27 February 2014 in

Federal Secretary: Lee Thomas
Lee Thomas

Dated: 7 March 2014

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Operating Report

For the Year Ended 30 June 2013

Your councillors present their report on Australian Nursing and Midwifery Federation (the Federation) for the financial year ended 30 June 2013.

1. General information

Council members

The names of council members throughout the year and at the date of this report are:

Coral Levett	
Marisa Bell	
Paul Nieuwenhoven	Resigned 31/03/2013
Lee Thomas	
Neroli Ellis	
Jenny Miragaya	
Julie Driver	Resigned 29/11/2012
Lisa Fitzpatrick	
Brett Holmes	
Yvonne Falckh	
Mark Olson	
Shirel Nomoa	
Patricia Fowler	
Elizabeth Dabars	
Yvonne Chaperon	
Athalene Rosborough	
Beth Mohle	
Sally-Anne Jones	
Maree Burgees	
Emily Shepherd	Appointed 03/02/2013

Principal activities

The principal activity of the Federation during the financial year was the industrial and professional representation of nurses, midwives and assistants in nursing.

Significant changes financial affairs

No significant change in the nature of these activities occurred during the year.

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Operating Report

For the Year Ended 30 June 2013

FEDERAL INDUSTRIAL REPORT

The 2012 - 2013 ANF industrial program continued to focus on the protection and advancement of the industrial rights of nurses, midwives and assistants in nursing.

The objectives included:

- to provide effective industrial leadership and representation for nurses, midwives and assistants in nursing at the national level;
- to achieve planned and coordinated salary increases for all nurses, midwives and assistants in nursing in Australia, principally through collective bargaining, and where this is not possible, by seeking review and amendments to the national award covering nurses, midwives and assistants in nursing in Australia;
- to maintain and enhance conditions of employment for nurses, midwives and assistants in nursing in Australia;
- to provide support to ANF Branches to enable them to meet their industrial objectives;
- to develop effective and constructive relationships with the Australian Council of Trade Unions and affiliated unions; and
- to develop effective and constructive relationships with the Federal Government, other political parties and industrial bodies.

Industrial Regulation - Fair Work Act Amendments

The Fair Work Act 2009 continues to be reviewed and amended by the Australian government in response to campaigns and lobbying by a range of employers and trade unions including the ANF.

Minimum wages

In 2013, Fair Work Australia (FWA) increased all minimum awards rates of pay by 2.6%.

Review of modern awards

In 2012, the Fair Work Commission commenced a review of all modern awards. The *Fair Work Act* requires the Commission to consider whether modern awards meet their objectives, and whether they are operating effectively without anomalies or technical problems. As part of the review, the ANF applied to vary a number of provisions of the modern Nurses Award, which largely sets out the safety net of pay and conditions for nurses, midwives and assistants in nursing who work outside the public sector.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

FEDERAL INDUSTRIAL REPORT continued

Nurses in General Practice Low paid bargaining application

On 17 June 2013, the Fair Work Commission handed down its decision on the Australian Nursing Federation claim for a Low Paid Bargaining Authorisation on behalf of nurses employed in general practice in New South Wales, Victoria and Tasmania.

Unfortunately, the Tribunal rejected the application, finding that practice nurses could not be defined as low paid employees and that there was strong opposition from employers to engaging in collectively bargaining. This was despite the fact that there was unchallenged evidence that many employers were paying their nurses at or about the award minimum. The Australian Nursing Federation will continue to promote justice and equality for our members and for general practice nurses generally.

Workplace Health and Safety

The ANF continued to lobby for improved health and safety and workers' compensation rights for Australian nurses, midwives and assistants in nursing.

Overseas Nurses

The latest figures available show that in 2012 -2013 approximately 3,000 international nurses arrived in Australia to work on temporary employer sponsored visas (subclass 457), with an additional 2,900 being granted permanent residence through the skilled migration program.

Public sector agreement outcomes

A new agreement covering public sector nurses and midwives in Queensland was approved by FWA providing a 3% per year wage increase with an additional \$500 add to base rates. Negotiations have been taking place in a number of states and territories to replace public sector agreement expiring on 30 June 2013. ANF Branches in New South Wales, Australian Capital Territory, South Australia, Tasmania and Western Australia are campaigning in support of their respective members' claims for improvements in wages and various conditions.

Aged care

The aged care workforce supplement is part of a package of legislation which forms part of a ten year plan by the Australian government to restructure the aged care sectors. The supplement will provide \$1.2 billion over four years to boost the wages and employment conditions of both residential and community aged care workers. The new funding, which is to go directly into aged care workers pay packets is a major win for the ANF given that improved wages was a key component of the ANF's **Because We Care** campaign.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

FEDERAL PROFESSIONAL REPORT

2012 – 2013 continued to advance the professional interests of nurses, midwives and assistants in nursing (AiN's) through advocacy and policy development.

Professionally it has been a very busy 12 months with continuing representation on national committees, working groups, alliances, forums and contributions to many and varied publications. Development of national policies, position statements and guidelines continue to dominate the work of the Federation.

The Professional Advisory Committee (PAC) consists of the Professional Officers of the Federation and works to promulgate consistent national positions, advice and submissions on behalf of our membership.

Coalition of National Nursing Organisations (CoNNO)

The ANF continues to provide Secretariat support to the work of CoNNO, an alliance of over 50 nursing and midwifery organisations. The Coalition represents the national interest of nurses and midwives in all health and aged care sectors and provides a forum for collaboration on issues of concern.

Funding is provided to CoNNO by the Department of Health and Ageing (DoHA) that allows for two face to face meetings per year.

E-health

The Personally Controlled Electronic Health Record (PCEHR) commenced on 1 July 2012. The ANF, with funding from DoHA, undertook a project of promotion and awareness raising on the PCEHR record amongst the nursing and midwifery professions. As part of this project, ANF Federal Office produced a series of e-health articles and advertising in the Australian Nursing Journal (ANJ); an e-health page on the Federal Office website; and an e-newsletter for broader circulation.

Primary health care

The *National School Nursing Professional Practice Standards* were launched by Yvonne Chaperon, Assistant Federal Secretary, at the ANF Victorian Branch Professional Day in September 2012.

Quality use of medicines

The Federal Office has had extensive involvement in issues relating to the quality use of medicines over the last 12 months.

National registration and accreditation

The Nursing and Midwifery Board of Australia funded a review of the existing National Competency Standards for Nurse Practitioners. The team, led by Southern Cross University, included representatives from four universities, the Consumers' Health Forum of Australia, the Australian College of Nurse Practitioners and ANF. The project commenced in June 2012 and was completed in June 2013. The resultant document is the *National Professional Practice Standards for Nurse Practitioners*.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

FEDERAL PROFESSIONAL REPORT continued

Rural health

It is estimated that in excess of 78,000 ANF members live and/or work in rural and remote parts of Australia. The ANF has been active on a number of fronts to positively influence policy in relation to nursing and midwifery workforce and health and aged care in general impacting on rural and remote Australia.

Social justice

ANF is a national organisational member of the Australian Council of Social Services (ACOSS), the peak body of the community services and welfare sector, and, the national voice for people affected by poverty and inequality. ANF has lent the Federation's support to national ACOSS campaigns, forums and conferences which have raised awareness and debated sustainable policy reforms seeking to provide opportunity, justice and equity for all Australians. Contribution was made by the ANF to the Anti-Poverty Week Campaign held in October 2012.

Climate Change

At the front line of health care delivery, the nursing and midwifery professions will be increasingly affected by climate change in their professional capacity. ANF recognises climate change as a significant issue for health and has participated in activities to promote mitigation of its effects.

ANF is a member of the Climate and Health Alliance (CAHA), with a representative on the Committee of Management.

Health Workforce Australia Standing Advisory Committee for Health Professions

ANF is represented on the Health Workforce Australia (HWA) Standing Advisory Committee (SAC) for Health Professions. The Committee meets four times a year and is chaired by Professor Mary Chiarella.

Health Workforce Australia National Rural and Remote Health Workforce Strategy (RRHWIR) Expert Reference Group

An Expert Reference Group (ERG) was established to guide the development of the HWA National RRHWIR Strategy in July 2011. Publication of the Strategy was announced in May 2013. The National Strategy offers a planned course of action to address workforce issues for rural and remote areas through key innovations and reforms with potential for national application.

Health Workforce Australia Health Professional Prescribing Pathway (HPPP) Project

ANF was represented on the Project Advisory Group (PAG) which consisted of representatives of consumers, health professionals, higher education sector, jurisdictions and regulators. Following extensive consultation with all registered health professions and key stakeholders the HPPP was finalised.

Health Workforce Australia Extended Workforce Scope

The ANF is represented on the Project Advisory Groups for the two nursing sub-projects: Nursing in the Emergency Department and Advanced Practice in Endoscopy Nursing.

Health Workforce Australia Aged Care Workforce Reform Project Advisory Group

ANF Federal Office participated in this group which provide advice on a range of HWA funded initiatives under their Aged Care Workforce Reform Project.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

FEDERAL PROFESSIONAL REPORT continued

Policies and position statements

In 2012 -2013, the completed revision and updating of 16 ANF national policies and position statements, to ensure relevance for contemporary practice was endorsed by the Federal Executive.

Submissions

The Professional Advisory Committee has analysed policy documents and discussion papers from a range of external sources. During the 2012 -2013 financial year the ANF has prepared and coordinated 18 national submissions on behalf of members. A full listing of ANF submissions can be viewed in detail on the Federal Office website:
<http://www.anmf.org.au>

Projects

- Nursing Guidelines for the Management of Medicines in Aged Care
- Telehealth Professional Practice Standards and Clinical Guidelines for Nursing and Midwifery
- Working Safe in Rural and Remote Project

CAMPAIGNS AND POLITICAL REPORT – 2012/2013

Current Campaigns Being Run:

Branch Campaigns

Queensland

Anti privatisation campaign - Our Public Hospitals are NOT for \$ale

Hands off our jobs / Hands off our public health services

New South Wales

Members in NSW are fighting to maintain and extend nurse to patient ratios. Recent strike action took nurses from around the state off the job to protest at the Governments inaction over ratios and their mean offer of 2.5% per year including increased superannuation.

Victoria

Say NO to Violence campaign

Nurses are one of the most at risk groups of violence at work, alongside prison and police officers, according to the Australian Institute of Criminology statistics. Nurses and midwives are still regularly, and sometimes very seriously, hurt at work by patients, visitors and intruders and now Victorian members are campaigning for safer workplaces.

Queensland and New South Wales continue their fight and in all other states campaigns around maintenance of public hospital service and enterprise bargaining continues.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

CAMPAIGNS AND POLITICAL REPORT – 2012/2013 continued

Current Campaigns Being Run: continued

Federal Office Campaign

Stop passing the buck - Graduate nurses need jobs

This national campaign was commenced when it was discovered almost all states and territories were unable to offer graduate programs to newly registered nurses. The campaign objectives include forcing State, Territory and Federal governments to work together to solve the problem.

Because We Care and Aged Care Can't Wait

The national Because We Care Campaign – Quality Care for Older Australians, moved into its fourth year. The federal government announced in the 2012 budget the *Living Longer. Living Better* aged care reforms, a once in a generation whole of sector reform that included bridging finance for increasing wages in the sector delivered through enterprise agreements.

Implementation of Workforce Compact

Scrap the Cap campaign

The federal government has proposed a cap of \$2,000 on the deductibility of self education expenses. The ANF is one of 66 national organisations who have joined the scrap the cap alliance

ANF Website

The ANF launched its new website following months of design. The website allows the union to interact more directly with members through new campaigning and petition tools and has proved very popular with members and the community.

ANF Facebook Page

In conjunction with the launch of the new web page, the ANF will also launch a Facebook page to engage with members and the community, promote ANF and Branch issues and activities and nursing and midwifery issues generally.

For a full and comprehensive report on the actions of the ANMF, please go to:

http://anmf.org.au/documents/reports/Annual_Report_12_13.pdf

Events after the reporting period

The Federation lodged an application to change its name from "Australian Nursing Federation" to "Australian Nursing and Midwifery Federation" on 21 March 2013. The application was granted by Fair Work Commission on 25 July 2013 and the name change took effect on that date.

Except for the above, the council is not aware of any significant events since the end of the reporting period.

Resignation from membership

Members retain the right to resign from the Australian Nursing Federation in accordance with section 10 of the Federal rules and section 174 of the Fair Work (Registered Organisations) Act 2009.

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

Trustee of superannuation entity

With the exception of Yvonne Chaperon, Beth Mohle and Brett Holmes who are a directors of HESTA Pty Ltd, trustee of HESTA Super Fund, to the best of our knowledge there are no officeholders or members of Australian Nursing Federation Federal Office who acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme, whose position impacts the ANMF Federal Office; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Officers & employees who are directors of a company or a member of a board

Name	Employee	Officer	Entity	Principal activity of the entity	ANMF appointment
Yvonne Chaperon	No	Yes	HESTA Super Fund	Industry Superannuation Fund	Assistant Federal Secretary - Federal Office
Beth Mohle	No	Yes	HESTA Super Fund (resigned 31 December 2012)	Industry Superannuation Fund	QLD Branch Secretary
Brett Holmes	No	Yes	HESTA Super Fund	Industry Superannuation Fund	NSW Branch Secretary
Lee Thomas	No	Yes	Australian Nursing and Midwifery Accreditation Council	Plays a key role in protecting the health and safety of the Australian community by ensuring high standards of nursing and midwifery education.	Federal Secretary - Federal Office
Lee Thomas	No	Yes	Australian Government Aged Care Funding Authority	Funding and financing of the Aged Care Sector	Federal Secretary - Federal Office

Australian Nursing and Midwifery Federation

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Operating Report

For the Year Ended 30 June 2013

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisation) Regulations 2009:

- The number of members (including branch members) at the end of the financial year was 230,711 (2012: 220,531).
- The number of full time equivalent employees at the end of the financial year was 21 (2012: 21).

Signed in accordance with a resolution of the Federal Council:

Federal Secretary: 
Lee Thomas

Dated this 7 March day of 2014

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	7,903,753	6,670,030
Other income	2	163,712	115,532
Employee benefits expense	3a	(2,526,098)	(2,605,037)
Campaign expenses		(1,221,719)	(106,296)
Postage expenses		(701,594)	(638,075)
Australian Nursing and Midwifery Journal production expenses		(645,309)	(654,525)
Affiliation fees	3b	(595,336)	(495,148)
Consultancy expenses		(481,194)	(173,724)
Staff field work and associated expenses		(240,176)	(248,561)
Legal expenses	3c	(169,915)	(51,228)
Depreciation expense	3	(162,745)	(129,082)
Doubtful debts expenses	3	(186)	(130,517)
Website expenses		(128,714)	(117,261)
Conference expenses		(118,713)	(181,187)
Aged Care Project - Skills Mix expenses		-	(437,756)
Rental expenses		(49,150)	(46,023)
Finance costs	3	(75,723)	(102,290)
Meeting expenses		(66,051)	(40,030)
Donations and grant expenses	3d	(41,173)	(30,621)
Levies	3e	(66,120)	-
Other expenses		(365,792)	(441,228)
Surplus for the year		411,757	156,973
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		411,757	156,973

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,513,225	550,935
Trade and other receivables	5	896,075	951,448
Other assets	6	41,147	24,860
TOTAL CURRENT ASSETS		<u>2,450,447</u>	<u>1,527,243</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,806,873	1,876,427
TOTAL NON-CURRENT ASSETS		<u>1,806,873</u>	<u>1,876,427</u>
TOTAL ASSETS		<u>4,257,320</u>	<u>3,403,670</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	566,958	562,750
Short-term provisions	10	611,337	523,623
Other liabilities	11	576,445	162,584
TOTAL CURRENT LIABILITIES		<u>1,754,740</u>	<u>1,248,957</u>
NON-CURRENT LIABILITIES			
Borrowings	9	1,205,622	1,300,440
Long-term provisions	10	53,856	22,928
TOTAL NON-CURRENT LIABILITIES		<u>1,259,478</u>	<u>1,323,368</u>
TOTAL LIABILITIES		<u>3,014,218</u>	<u>2,572,325</u>
NET ASSETS		<u>1,243,102</u>	<u>831,345</u>
EQUITY			
Accumulated surpluses		<u>1,243,102</u>	<u>831,345</u>
TOTAL EQUITY		<u>1,243,102</u>	<u>831,345</u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation

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Statement of Changes in Equity

For the Year Ended 30 June 2013

2013

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2012	831,345	831,345
Surplus for the year	411,757	411,757
Balance at 30 June 2013	1,243,102	1,243,102

2012

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2011	674,372	674,372
Surplus for the year	156,973	156,973
Balance at 30 June 2012	831,345	831,345

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation

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Statement of Cash Flows

For the Year Ended 30 June 2013

	2013	2012
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, branches and others	12b 8,146,329	6,393,141
Grants received	933,134	291,231
Interest received	2,511	14,474
Payments to suppliers and employees	(7,855,952)	(6,662,006)
Finance costs	(70,541)	(102,290)
Net cash provided by (used in) operating activities	12a 1,155,481	(65,450)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	11,136
Acquisition of property, plant and equipment	(93,191)	(175,264)
Net cash used by investing activities	(93,191)	(164,128)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(100,000)	(7,623)
Net cash used by financing activities	(100,000)	(7,623)
Net increase (decrease) in cash and cash equivalents held	962,290	(237,201)
Cash and cash equivalents at beginning of year	550,935	788,136
Cash and cash equivalents at end of financial year	4 1,513,225	550,935

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1 Summary of Significant Accounting Policies

1a Basis of preparation

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 Nursing and Midwifery Federation ("the Federation") is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at 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 statements were authorised for issue on the same date the statement by the Federal Council was signed.

1b Comparative figures

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

1c Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at cost less depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by councillors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of depreciated replacement cost.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

1c Property, plant and equipment continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Federation commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and Equipment	15%-33%
Motor Vehicles	20%
Improvements	10%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

1d Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Federation commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; less any reduction for impairment.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

1d Financial instruments continued

Initial recognition and measurement continued

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in statement of comprehensive income.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(ii) Held-to-maturity investments

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period. (All other investments are classified as current assets).

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(iii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

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

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Federation no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

1e Income tax

No provision for income tax has been raised as the Federation is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

1f Critical accounting estimates and judgments

The councillors evaluate estimates and judgments incorporated into the financial statements 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 Federation.

(i) Key estimates - impairment

The Federation assesses impairment at the end of each reporting year by evaluating conditions specific to the Federation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using depreciated replacement cost calculations which incorporate various key assumptions.

(ii) Key judgment - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

(iii) Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

1g ANMF Branches

The Australian Nursing and Midwifery Federation (ANMF) is the federal office that coordinates the activities of the branches in response to national issues of importance to nurses. ANMF Branches respond to issues at a State and Territory level and actively represent the industrial and professional interests of members at the local level.

There is an ANMF branch in each State and Territory in Australia. They all have separate reporting responsibilities.

The following Branches operate and conduct all of their business as a Branch of the Federation:

- ANMF Australian Capital Territory (ACT) Branch
- ANMF Northern Territory (NT) Branch
- ANMF Victorian (VIC) Branch
- ANMF Tasmanian (TAS) Branch

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

1g ANMF Branches continued

The following Branches operate in conjunction with a State Registered Trade Union which are incorporated under relevant State Industrial Legislation:

- ANMF Western Australian (WA) Branch
- ANMF South Australian (SA) Branch
- ANMF New South Wales (NSW) Branch
- ANMF Queensland (QLD) Branch

ANMF branches are considered as reporting units under the Federation as per the Fair Work (Registered Organisations) Act 2009 (the Act) and therefore further disclosure requirements are required for these branches as noted in Note 2, 5 and 12 of the financial statements. However the activities of these branches are not consolidated into the Federation's accounts as the Federation does not have beneficial control. The branches have their own accounting processes, are required to be audited separately and have their own reporting obligations under the Act.

1h Special Interest Group

The Federation has a Special Interest Group (SIG) named National Enrolled Nurse Association (NENA). NENA was set up to promote the value of Enrolled Nurses and raise the awareness of the Enrolled Nurse role within the community whilst providing a forum for all Enrolled Nurses to participate at a National level. NENA's financial statements have not been consolidated with the Federation's financial report. NENA is audited separately and have their own reporting obligations under the Act. The financial impact of NENA is also considered not material to the Federation.

1i New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Federation.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 2 Revenue and Other Income

	Note	2013 \$	2012 \$
Revenue			
- Capitation fees	2a	3,935,734	3,573,564
- Australian Nursing Journal subscriptions	2a	1,566,882	1,536,625
- Campaign income		1,050,281	10,762
- Grant income		611,718	565,565
- Australian Nursing Journal advertising income		514,631	548,242
- Biennial National Conference income		-	219,961
- Continuing Professional Education income		221,996	200,837
- Interest income		2,511	14,474
		7,903,753	6,670,030
Other revenue			
- Royalties		11,623	60,965
- Directors' fee		35,354	37,099
- NENA income		23,000	-
- Other income		93,735	17,468
		163,712	115,532

2a Income from branches

	Capitation fees		Subscription fees	
	2013 \$	2012 \$	2013 \$	2012 \$
ACT Branch	37,219	32,076	35,797	33,182
NT Branch	46,844	39,168	38,230	36,610
TAS Branch	115,873	104,532	104,691	104,279
VIC Branch	1,143,095	1,002,624	1,080,280	1,044,702
NSW Branch	1,041,944	1,010,160	715	10,199
SA Branch	286,354	255,482	263,898	254,374
QLD Branch	841,271	745,361	-	6,983
WA Branch	423,134	384,161	-	3,554
Other	-	-	43,271	42,742
Total	3,935,734	3,573,564	1,566,882	1,536,625

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 3 Expenses

	2013	2012
	\$	\$
Interest expense on financial liabilities not at fair value through profit or loss:		
- Loan interest expense	75,723	97,379
- ATO interest expenses	-	4,911
Total finance costs	<u>75,723</u>	<u>102,290</u>
Other Expenses:		
Depreciation expense	162,745	129,082
Doubtful debts expenses	186	130,517
Consideration to employers for payroll deductions	-	-
Capitation fees	-	-
Penalties - via RO Act or RO Regulations	-	-
3a Employee expenses		
Holders of office:		
Wages and salaries	323,973	309,626
Superannuation	46,469	46,469
Leave and other entitlements	22,140	34,262
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>392,582</u>	<u>390,357</u>
Employees other than office holders:		
Wages and salaries	1,664,032	1,748,559
Superannuation	250,890	243,196
Leave and other entitlements	85,023	78,864
Payroll tax	113,250	128,388
Other employee expenses	20,321	15,673
Subtotal employee expenses employees other than office holders	<u>2,133,516</u>	<u>2,214,680</u>
Total employee expenses	<u>2,526,098</u>	<u>2,605,037</u>
3b Affiliation fees		
Australian Council of Trade Unions	496,798	495,148
International Council of Nurses	96,283	-
National Rural Health Alliance Inc	200	-
Apheda Union Aid Abroad	2,055	-
Total	<u>595,336</u>	<u>495,148</u>

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 3 Expenses continued

3c Legal expenses

	2013	2012
Note	\$	\$
Litigation	-	-
Other legal matters	169,915	51,228
Total	169,915	51,228

3d Grants or donations

Grants - TUEF National Workplace Education Program

VIC Branch	10,185	6,845
TAS Branch	2,126	-
SA Branch	22,119	10,991
ACT Branch	2,233	840
QLD Branch	-	5,045
	36,663	23,721
Donations	(i) 4,510	6,900
Total	41,173	30,621

(i) Amount of \$3,000 was made as a sponsor's donation to UnitingCare Wesley Adelaide Inc. for the supporting of the 2013 anti poverty week. In addition, an amount of \$1,000 was paid to NSW Nurses and Midwives Association Roz Norman Relief Fund, which is part of the Federation's social justice work.

3e Levies

Australian Council of Trade Unions	(i) 66,120	-
Total	66,120	-

(i) This campaigning fund is the collective commitment of Australian unions to campaign at a national, movement-wide level for working Australians, their families and communities.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 4 Cash and Cash Equivalents

	2013	2012
Note	\$	\$
Cash on hand	988	887
Cash at bank	1,492,237	530,048
Short-term deposits	20,000	20,000
	<u>1,513,225</u>	<u>550,935</u>

Note 5 Trade and Other Receivables

CURRENT

Trade receivables	5a,5d	1,025,359	1,098,546
Provision for impairment	5b	<u>(147,284)</u>	<u>(147,098)</u>
		878,075	951,448
Other receivables		<u>18,000</u>	<u>-</u>
		<u>896,075</u>	<u>951,448</u>

5a Trade receivables from branches

Included in the trade receivables balance are receivables from ANMF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, trade receivables from ANMF branches (reporting units) consist of:

Capitation fees

TAS Branch	10,622	17,316
NSW Branch	191,023	-
WA Branch	60	-
SA Branch	-	23,419

Subscription fees

TAS Branch	10,606	21,001
VIC Branch	-	208,555
NSW Branch	143	72
SA Branch	-	51,097

Payroll tax

ACT Branch	-	2,821
VIC Branch	42,937	56,973

Share of event costs

ACT Branch	5,736	770
VIC Branch	-	149,132
NSW Branch	27,530	4,910
SA Branch	499	-
WA Branch	35,537	-
QLD Branch	22,149	-

The balance of provision for doubtful debts from other reporting units is zero as at 30 June 2013.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 5 Trade and Other Receivables continued

5b Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2013	2012
Note	\$	\$
Balance at beginning of the year	147,098	16,581
Additional impairment loss recognised	186	130,517
Balance at end of the year	147,284	147,098

5c Financial assets classified as loans and receivables

Trade and other receivables

- total current

13 **896,075** 951,448

Financial assets

896,075 951,448

5d Receivables - grants

Included in trade and other receivables is \$83,840 worth of government grant income invoiced for the 2012/2013 year. In accordance with the accounting policy on grant revenue, \$29,347 has been deferred to a liability account as the conditions attached to the grant have not yet been satisfied.

Note 6 Other Assets

CURRENT

Prepayments

38,627 22,340

Security on leased premises

2,520 2,520

41,147 24,860

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 7 Property, Plant and Equipment

	2013	2012
	\$	\$
LAND AND BUILDINGS		
Land and buildings		
At cost	1,761,101	1,761,101
Accumulated depreciation	(287,088)	(254,467)
Total land and buildings	<u>1,474,013</u>	<u>1,506,634</u>
Freehold Improvements		
At cost	418,909	418,910
Accumulated depreciation	(255,670)	(219,976)
Total Freehold improvements	<u>163,239</u>	<u>198,934</u>
Total land and buildings	<u>1,637,252</u>	<u>1,705,568</u>
Plant and equipment		
At cost	674,636	599,103
Accumulated depreciation	(527,511)	(457,540)
Total plant and equipment	<u>147,125</u>	<u>141,563</u>
Motor vehicles		
At cost	33,999	33,999
Accumulated depreciation	(11,503)	(4,703)
Total motor vehicles	<u>22,496</u>	<u>29,296</u>
Total plant and equipment	<u>169,621</u>	<u>170,859</u>
Total property, plant and equipment	<u>1,806,873</u>	<u>1,876,427</u>

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 7 Property, Plant and Equipment continued

7a Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Improvements \$	Total \$
Year ended 30 June 2012					
Balance at the beginning of year	1,539,255	106,030	14,370	180,369	1,840,024
Additions	-	91,621	33,999	49,644	175,264
Disposals	-	-	(9,779)	-	(9,779)
Depreciation expense	(32,621)	(56,088)	(9,294)	(31,079)	(129,082)
Balance at the end of the year	1,506,634	141,563	29,296	198,934	1,876,427
Year ended 30 June 2013					
Balance at the beginning of year	1,506,634	141,563	29,296	198,934	1,876,427
Additions	-	93,191	-	-	93,191
Depreciation expense	(32,621)	(87,629)	(6,800)	(35,695)	(162,745)
Balance at the end of the year	1,474,013	147,125	22,496	163,239	1,806,873

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 8 Trade and Other Payables

	Note	2013 \$	2012 \$
CURRENT			
Unsecured liabilities:			
Trade payables	8a	261,409	269,237
Sundry payables		110,344	90,089
GST payable		195,205	203,424
Consideration to employers for payroll deductions		-	-
		<u>566,958</u>	<u>562,750</u>
8a	Includes \$98,115 of legal costs payable in relation to other legal matters at year end.		
8b Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
- total current		<u>566,958</u>	<u>562,750</u>
Less:			
GST payables		<u>(195,205)</u>	<u>(203,424)</u>
Financial liabilities as trade and other payables	13	<u>371,753</u>	<u>359,326</u>

Note 9 Borrowings

NON-CURRENT

Secured liabilities:

Bank loans	9a,13	<u>1,205,622</u>	<u>1,300,440</u>
		<u>1,205,622</u>	<u>1,300,440</u>

9a Bank loans

The bank overdraft and loan are secured by a registered first mortgage over the freehold properties of the Federation by the Members Equity Bank. The facility is for a 20 year period maturing on 28 June 2032. The repayments for the first five years are interest only and the remainder of the loan period are principal and interest. The carrying amounts of non-current assets pledged as security are - Freehold land and buildings with a written down value of \$1,637,253 (2012:\$1,705,568).

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 10 Provisions

		2013	2012
	Note	\$	\$
CURRENT			
Employee benefits	(i)	611,337	523,623
		<u>611,337</u>	<u>523,623</u>
NON-CURRENT			
Employee benefits	(i)	53,856	22,928
		<u>53,856</u>	<u>22,928</u>

(i) Provision for Annual Leave Employee Benefits and Additional Paid Day Off (ADO)

Provision for employee benefits represents amounts accrued for annual leave, additional paid day off (ADO) and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements, ADO and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Federation does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Federation does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

	Employee benefits	Total
	\$	\$
Current		
Opening balance at 1 July 2012	546,551	546,551
Additional provisions raised during the year	356,650	356,650
Amounts used	(238,008)	(238,008)
Balance at 30 June 2013	<u>665,193</u>	<u>665,193</u>

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 10 Provisions continued

Employee Provisions

	2013	2012
Note	\$	\$
Office Holders		
Annual leave	38,871	37,705
Long service leave	59,413	47,881
Separations and redundancies	-	-
ADO	15,227	-
Subtotal employee provisions office holders	113,511	85,586
Employees other than office holders:		
Annual leave	241,278	241,308
Long service leave	284,104	219,657
Separations and redundancies	-	-
ADO	26,300	-
Subtotal employee provisions employees other than office holders	551,682	460,965
Total employee provisions	665,193	546,551
Analysis of total provisions		
Current	611,337	523,623
Non-current	53,856	22,928
	665,193	546,551

Note 11 Other Liabilities

CURRENT

Unearned grant income	463,071	141,655
Conference income in advance	93,697	-
Unearned subscription	19,677	20,928
	576,445	162,583

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 12 Cash Flow Information

12a Reconciliation of cash from operations with surplus for the year

	2013	2012
	\$	\$
Net surplus for the year	411,757	156,973
Non-cash flows in surplus		
Depreciation	162,745	129,082
Loss (profit) on disposal of non-current assets	-	(1,357)
Provision for doubtful debts	186	130,517
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	55,187	(410,194)
(Increase)/decrease in other assets	(16,287)	115,724
(Increase)/decrease in trade payables and accruals	9,390	(45,916)
(Increase)/decrease in other current liabilities	413,861	(253,405)
(Increase)/decrease in provisions	118,642	113,126
	<u>1,155,481</u>	<u>(65,450)</u>

12b Cash flow from branches

Included in receipts from customers of \$8,146,329 are receipts from ANMF branches. As per the requirements of Fair Work Act (Registered Organisations) Act 2009, cash receipts from the ANMF branches (reporting units) consist of:

Cash receipts - subscription fees

VIC Branch	1,288,835	936,901
TAS Branch	115,086	93,484
ACT Branch	35,797	33,182
NT Branch	38,230	36,610
NSW Branch	644	10,127
SA Branch	314,995	227,619
QLD Branch	-	6,983
WA Branch	-	3,554
	<u>1,793,587</u>	<u>1,348,460</u>

Cash receipts - capitation fees

VIC Branch	1,143,095	1,002,624
TAS Branch	122,567	94,950
ACT Branch	37,219	32,076
NT Branch	46,844	39,168
NSW Branch	850,921	1,010,160
SA Branch	309,773	232,061
QLD Branch	841,272	745,368
WA Branch	423,074	415,441
	<u>3,774,765</u>	<u>3,571,848</u>

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 13 Financial Risk Management

The Federation's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and bank loans.

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 as follows:

	Note	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	4	1,513,225	550,935
Trade and other receivables	5	896,075	951,448
Total financial assets		2,409,300	1,502,383
Financial Liabilities			
Trade and other payables	8	566,958	562,750
Borrowings	9	1,205,622	1,300,440
Total financial liabilities		1,772,580	1,863,190

Net Fair Values

The fair values disclosed in the above table have been determined based on the following methodology:

Cash and cash equivalents, trade and other receivables, trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Long term borrowings relate to a commercial loan whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

The Federation has an unutilised credit card facility of \$20,000 with the Commonwealth Bank of Australia. This is secured by a letter of Set Off against the term deposit (see Note 4).

Financial risk management policies

The council members have overall responsibility for the establishment of Australian Nursing and Midwifery Federation's financial risk management framework. This includes the development of policies covering specific areas.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Australian Nursing and Midwifery Federation's activities. The overall risk management policies seek to assist Australian Nursing and Midwifery Federation in meeting its financial targets, while minimising potential adverse effects on financial performance.

Mitigation strategies for specific risks faced are described below:

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 13 Financial Risk Management continued

13a Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Australian Nursing and Midwifery Federation and arises principally from Australian Nursing and Midwifery Federation's receivables.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

13b Liquidity risk

Liquidity risk arises from the possibility that Australian Nursing and Midwifery Federation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since Australian Nursing and Midwifery Federation has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 13 Financial Risk Management continued

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	566,958	562,750	-	-	-	-	566,958	562,750
Borrowings (excluding finance lease)	-	-	52,992	-	1,152,630	1,300,440	1,205,622	1,300,440
Total contractual outflows	566,958	562,750	52,992	-	1,152,630	1,300,440	1,772,580	1,863,190

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 13 Financial Risk Management continued

13c Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Australian Nursing and Midwifery Federation is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating debt. Surplus cash is transferred into a high interest account to maximise the return.

ii. Price risk

Australian Nursing and Midwifery Federation is not exposed to any material commodity price risk.

Interest rate risk sensitivity analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2013	2012
	\$	\$
Change in profit		
- Increase in interest rate +/- 2%	6,245	(14,999)
Change in equity		
- Increase in interest rate +/- 2%	6,245	(14,999)

Note 14 Remuneration of Auditors

Remuneration of the auditor of the Federation for:

- Financial statement audit services	16,500	19,650
- Preparation of general purpose financial report	3,400	2,600
- Transition of accounting system audit	-	1,500
	<u>19,900</u>	<u>23,750</u>

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 15 Capital and Leasing Commitments

15a Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	2013	2012
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	8,580	16,316
- between 12 months and five years	7,150	15,730
	<u>15,730</u>	<u>32,046</u>

The operating lease commitments consist of a postage meter lease.

The postage meter lease is a 60 month lease which commenced on 14 April 2010, with fixed quarterly rent instalments of \$715.

Note 16 Key Management Personnel Disclosures

The Federation paid an honorarium fee of \$3,000 and \$1,500 to President and Vice President respectively for the year ended 30 June 2013. The other Executive Committee Members and the Federation's Councillors are not remunerated in their capacity as councillors.

The totals of remuneration paid to the key management personnel of Australian Nursing and Midwifery Federation during the year are as follows:

Key management personnel compensation:

- Salary and wages (including annual leave taken)	323,973	309,626
- Annual leave accrued	1,166	20,763
- Long service leave accrued	5,748	13,499
- ADO accrued	15,226	-
- Superannuation	46,469	46,469
	<u>392,582</u>	<u>390,357</u>

Note 17 Information to be supplied to Members or General Manager

Information must be provided to members or the General Manager as follows in accordance with Section 272 of the Fair Work (Registered Organisations) Act 2009:

- (1) A member of the Australian Nursing Federation, or the General Manager, may apply to the Federation for specific prescribed information in relation to the Federation to be made available to the person making the application.
- (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 be not less than 14 days after the application has been given to the Federation.
- (3) The Federation must comply with an application made under subsection (1).

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 18 Events after the end of the Reporting Period

The financial statements were authorised for issue on the same date the statement by Federal Council was signed.

The Federation lodged an application to change its name from "Australian Nursing Federation" to "Australian Nursing and Midwifery Federation" on 21 March 2013. The application was granted by Fair Work Commission on 25 July 2013 and the name change took effect on that date.

Except for the above, the council is not aware of any significant events since the end of the reporting period.

Note 19 Contingent Liabilities and Contingent Assets

Australian Nursing Federation (Victorian Branch) RTO Prepaid Course Monies Trust rights of indemnity

The establishment of RTO Prepaid Monies Trust is for the purpose of protecting the prepaid monies that students or intending students pay to the Australian Nursing and Midwifery Federation (Victorian Branch), who are the provider of the courses, in respect of the future provision of education services to those students. The RTO Prepaid Monies Trust was established during 2012/2013 financial year. The Federation is the trustee of the Prepaid Course Monies Trust.

Rights of indemnity for liabilities incurred by the company on behalf of the Australian Nursing Federation (Victorian Branch) RTO Prepaid Course Monies Trust not recognised in the financial statements of the Federation amounts to \$932,693.

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Federation acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust at 30 June 2013.

Facility held for payment of wages

The Federation has a facility of \$60,000 with the Commonwealth Bank of Australia, which is utilised for payment of wages of employees.

Note 20 Related Parties

The Federation undertook related party transactions with the State Branches in relation to the charging of Capitation and Subscription fees. These charges were based on the number of members per state branch and were on normal commercial terms. Transaction with the state Branches refer to Note 2 and Note 5.

Australian Nursing and Midwifery Federation

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Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 21 Economic Dependence

The Federation is economically dependent on capitation fees received from each ANMF branches. In the 2013 year this formed 49% of the total revenue used to operate the Federation. At the date of this report the Federal Council has no reason to believe the State Branches will not continue to support the Federation.

Note 22 Federation Details

The Registered office of the Federation is:

3/28 Eyre St
Kingston, ACT 2604

The Principal place of business of the Federation is:

Level 1
365 Queen St
Melbourne, VIC 3000

Australian Nursing and Midwifery Federation

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Statement by the Federal Council

On _____ the Federal Council of the Australian Nursing and Midwifery Federation passed the following resolution in relation to the general purpose financial report of the Federation for the year ended 30 June 2013:

The Councillors declare that in its opinion:

1. The financial statements and notes, as set out on pages 11 to 37, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
 - a. comply with Australian Accounting Standards;
 - b. comply with the reporting guidelines of the General Manager;
 - c. give a true and fair view of the financial performance, financial position and cash flows of the Federation for the year ended 30 June 2013;
2. In the councillors' opinion, there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.
3. During the financial year ended 30 June 2013 and since the end of that year:
 - a. meetings of the Councillors were held in accordance with the rules of the Federation;
 - b. the financial affairs of the Federation have been managed in accordance with the rules of the Federation concerned;
 - c. the financial records of the Federation have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - d. the financial records of the unincorporated branches considered as reporting units under the Federation have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Federation.
 - e. the information sought in any request of a member of the Federation or the General Manager of the Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of the Fair Work Commission;
 - f. there has been compliance where an order for any inspection of financial records has been made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009;
 - g. the Federation did not participate in any recovery of wages activity.

This declaration is made in accordance with a resolution of the Federal Council:

Federal Secretary 
Lee Thomas

Dated 7 March 2014.

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing and Midwifery Federation

Report on the Financial Report

We have audited the accompanying financial report of Australian Nursing and Midwifery Federation, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Federal Council of the Federation.

Councillors' Responsibility for the Financial Report

The councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We 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 about whether the financial report is free from material misstatement.

An audit involves performing 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 of 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 circumstances, 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 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 Australian professional ethical pronouncements.

Australian Nursing and Midwifery Federation

ABN: 41 816 898 298

Independent Audit Report to the members of Australian Nursing and Midwifery Federation

Auditor's Declaration

We declare that the auditor:

- (a) is an approved auditor;
- (b) is a person who is a member of the Institute of Chartered Accountants in Australia; and
- (c) holds a current Public Practice Certificate.

Auditor's Opinion

In our opinion:

- (a) the general purpose financial report of the Australian Nursing and Midwifery Federation presents fairly the financial position as at 30 June 2013, and of its financial performance and its cash flows for the year then ended and is in accordance with:
 - (i) Australian Accounting Standards (including Australian Accounting Interpretation); and
 - (ii) requirement of the Fair Work (Registered Organisations) Act 2009 including Part 3 of Chapter 8 of the Act
- (b) the Federation did not participate in any recovery of wages activity during the year;
- (c) the management's use of the going concern basis of accounting in the preparation of the Federation's financial report is appropriate.

Saward Dawson Chartered Accountants



Peter Shields
Partner

Blackburn VIC

Date: 7 March 2014