



Australian Government
Registered Organisations Commission

21 December 2017

Mr Brett Holmes
Secretary, New South Wales Branch
Australian Nursing and Midwifery Federation

Sent via email:

Dear Mr Holmes

Re: – Australian Nursing and Midwifery Federation, New South Wales Branch - financial report for year ending 30 June 2017 (FR2017/259)

I refer to the financial report of the New South Wales Branch of the Australian Nursing and Midwifery Federation. The documents were lodged with the Registered Organisations Commission ('the ROC') on 15 December 2017.

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

You are not required to take any further action in respect of the report lodged. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

From: GOSWAMI Anadi [<mailto:agoswami@nswnma.asn.au>]

Sent: Friday, 15 December 2017 1:22 PM

To: ROC - Registered Org Commission

Cc: ALTMAN Scott

Subject: HPRM: On CMS FR2017/259 ANMF NSW Branch Audited Financial Report for the year ended 30 June 2017 and Designated Officer's Certificate

[FR2017/259](#)

Please find herewith attached a copy of audited Financial Statements of Australian Nursing and Midwifery Federation New South Branch (The Financial Report) for the year ended 30 June 2017 and a Designated Officer's Certificate as per section 268 of Fair Work (Registered Organisations) Act 2009.

Also please note that we have submitted the statement of loans, grants and donations exceeding \$1,000 to the Commission on 23 October 2017.

Thanks & Regards,

Anadi Goswami
Accountant

New South Wales Nurses and Midwives' Association
Australian Nursing and Midwifery
Federation - NSW Branch
50 O'Dea Avenue
WATERLOO NSW 2017

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ANMF NSW - 2016-7 15122017115435-00
Financial Statements 01.pdf



IN REPLY PLEASE QUOTE:

BH:TOG:AGO

14 December 2017

The Commissioner
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Sir / Madam

**Re: Australian Nursing and Midwifery Federation New South Wales Branch
Financial Report for the year ended 30 June 2017.**

Please find enclosed a copy of the audited Financial Statements of the Australian Nursing and Midwifery Federation New South Wales Branch (the Financial Report) for the year ended 30 June 2017.

Also enclosed is a Designated Officer's Certificate required as per section 268 Fair Work (Registered Organisations) Act 2009. Please note that the Statement of loans, grants and donations exceeding \$1,000 was submitted to you via email on 23 October 2017.

If you have any queries please contact Tony O'Grady Manager Projects and Compliance on 8595 2118 or by email at togrady@nswnma.asn.au.

Yours sincerely

A handwritten signature in black ink that reads "Brett Holmes".

BRETT HOLMES
Branch Secretary

Designated Officer's Certificate

S.268 Fair Work (Registered Organisations) Act 2009

I, Brett Holmes being the Branch Secretary of the Australian Nursing and Midwifery Federation New South Wales Branch, certify:

- That the documents lodged herewith are copies of the full report, referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on the website www.nswnma.asn.au on 30 October 2017; and
- That the full report was presented to the Australian Nursing and Midwifery Federation New South Wales Branch Council (the committee of management) on 6 December 2017 in accordance with s.266(3) of the Fair Work (Registered Organisations) Act 2009.



BRETT HOLMES

Date: 14 December 2017

Branch Secretary
ANMF New South Wales Branch

Australian Nursing and Midwifery Federation New South Wales Branch

ABN 85 726 054 782

Federally Registered Financial Statements

For the Year Ended 30 June 2017

**Australian Nursing and Midwifery Federation
New South Wales Branch**

ABN 85 726 054 782

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Operating Report

30 June 2017

The Branch Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Australian Nursing and Midwifery Federation, New South Wales Branch ("the Branch") for the financial year ended 30 June 2017.

Committee of Management

The names of the Committee of Management in office at any time during the financial year were:

Mr Brett Holmes	Branch Secretary	
Ms Judith Kiejda	Branch Assistant Secretary	
Ms Coral Levett	Branch President	
Ms Lorna Scott	Branch Vice President	
Ms Lynette Hopper	Branch Executive Member	
Ms O'Bray Smith	Branch Executive Member	
Ms Kerry Rodgers	Branch Executive Member	
Mr Gary Clark	Branch Executive Member	
Mr Gil Wilson	Branch Councillor	
Ms Tania Gleeson	Branch Councillor	
Mr Richard Noort	Branch Councillor	
Ms Deborah Lang	Branch Councillor	
Ms Annette Alldrick	Branch Councillor	
Ms Lucille McKenna	Branch Councillor	
Ms Suzanne White	Branch Councillor	
Ms Susan Brazil	Branch Councillor	
Ms Elizabeth McCall	Branch Councillor	
Ms Debra Smith	Branch Councillor	
Ms Peg Hibbert	Branch Councillor	
Ms Michelle Cashman	Branch Councillor	
Mr Edward Makepeace	Branch Councillor	
Ms Michelle Nicholson	Branch Councillor	
Mr Jason Pascoe	Branch Councillor	Resigned 30 November 2016
Ms Tania Gleeson	Branch Councillor	Resigned 1 September 2017
Ms Lee Taylor	Branch Councillor	Appointed 30 November 2016, Resigned 1 September 2017

All members of the Committee of Management were in office for the period 1 July 2016 to 30 June 2017, unless otherwise stated.

Operating Report

30 June 2017

Principal activities

The principal activities of the Branch during the financial year were the industrial and professional representation of nurses, midwives, nursing and midwifery. No significant change in the nature of these activities occurred during the year.

Review of operations

A review of the operations and the results of the Branch is performed in the regular meetings of the Committee of Management. The Committee of Management believe that they have furthered the interests of their members throughout the year through the conducting of the Branch's principal activities.

Results of Activities

The operating surplus for the Australian Nursing and Midwifery Federation New South Wales Branch for the year ended 30 June 2017 was \$83,025 (2016: \$793) and the Branch Council believe that the activities of the Branch have achieved their objectives for the financial year.

Significant Changes in Nature of Activities or Financial Affairs

There were no significant changes in the nature of activities of the Branch during the year other than 105 employees being formally transferred from the New South Wales Nurses and Midwives' Association to the Branch between October 2016 and May 2017. There is a service agreement between the Branch and the New South Wales Nurses and Midwives' Association.

Significant Changes in Financial Affairs

There have been significant changes in the state of affairs of the Branch during the year due to the increased number of employees and the corresponding service agreement between the Branch and the New South Wales Nurses and Midwives' Association.

Membership of the Branch

The number of members of the Branch at the end of the financial year was 62,414 (2016: 62,234).

Rights of Members to Resign

Members retain the right to resign from the Australian Nursing and Midwifery Federation in accordance with section 10 of the Federal Rules and Section 174 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act"). In accordance with Section 174(1) of the RO Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Employees of the Branch

The total number of full time equivalent employees as at 30 June 2017 was 96 (30 June 2016: nil).

Operating Report

30 June 2017

Superannuation Trustees

Mr Brett Holmes was a director of Health Employees Superannuation Trust Australia up until the expiry of his appointment on 31 December 2016, a position he held as a nominee of the Australian Nursing and Midwifery Federation.

Mr Tony O'Grady is a Board Member of the Superannuation Trustee Corporation, appointed as an employee representative by the New South Wales Minister for Finance.

Ms. Anna Claude became a director of Health Employees Superannuation Trust Australia from 31 December 2016, a position she holds as a nominee of the Australian Nursing and Midwifery Federation.

No other officer or member of the Branch acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a Company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Signed in accordance with a resolution of the Branch Council:



Ms Coral Levett
Branch President



Mr Brett Holmes
Branch Secretary

11 October 2017

Committee of Management Statement

On the 11th of October 2017 Branch Council of the Australian Nursing and Midwifery Federation, New South Wales Branch ("the Branch"), passed the following resolution in relation to the General Purpose Financial Report ("GPFR") of the Branch for the year ended 30 June 2017:

The Branch Council declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 June 2017;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2017 and since the end of the financial year:
 - i) meetings of the Branch Council were held in accordance with the rules of the organisation and the rules of the Branch; and
 - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
 - v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance;
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



BRETT HOLMES
Branch Secretary

Dated this 11th day of October 2017.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Income			
Service fee - NSW Nurses and Midwives' Association (NSWNMA)	4	13,618,436	1,250,592
Interest income	4	70,735	853
Other income	4	8,440	56,308
Membership subscriptions	4	-	-
Total Income		<u>13,697,611</u>	<u>1,307,753</u>
Expenditure			
Audit fees	15	(24,500)	(4,500)
Employee benefits expense	5	(10,970,657)	-
Capitation fees	5	(1,310,109)	(1,246,092)
Service fees to NSWNMA	17(b)	(922,500)	-
Travel expenses		(211,176)	-
Motor vehicle expenses		(62,917)	-
Meetings and conference expense	5	(13,857)	(26,617)
Legal costs	5	(4,353)	-
Affiliation fees	5	(355)	-
Other expenses		(94,162)	(29,751)
Total expenditure		<u>(13,614,586)</u>	<u>(1,306,960)</u>
Result for the year		<u>83,025</u>	<u>793</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations	11	(146,265)	-
Other comprehensive income for the year		<u>(146,265)</u>	<u>-</u>
Total comprehensive income for the year		<u>(63,240)</u>	<u>793</u>

The accompanying notes form part of these financial statements.

**Australian Nursing and Midwifery Federation
New South Wales Branch**

ABN 85 726 054 782

Balance Sheet

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,877,673	1,307
Trade and other receivables	7	332,394	5,071
Other financial assets	8	5,099,999	31,948
Other assets	9	85,902	-
TOTAL CURRENT ASSETS		7,395,968	38,326
NON-CURRENT ASSETS			
		-	-
TOTAL ASSETS		7,395,968	38,326
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	939,927	4,950
Employee benefits	11	5,602,551	-
TOTAL CURRENT LIABILITIES		6,542,478	4,950
NON-CURRENT LIABILITIES			
Employee benefits	11	883,354	-
NON-CURRENT LIABILITIES		883,354	-
TOTAL LIABILITIES		7,425,832	4,950
NET ASSETS		(29,864)	33,376
ACCUMULATED FUNDS			
		(29,864)	33,376

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation
New South Wales Branch

ABN 85 726 054 782

Statement of Changes in Accumulated Funds
For the Year Ended 30 June 2017

	Accumulated Funds \$
Balance at 1 July 2016	33,376
Result for the year	83,025
Remeasurement of retirement benefit obligations	<u>(146,265)</u>
Balance at 30 June 2017	<u><u>(29,864)</u></u>
Balance at 1 July 2015	32,583
Result for the year	<u>793</u>
Balance at 30 June 2016	<u><u>33,376</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Service fees and other revenue received	14,699,123	1,546,213
Payments to suppliers and employees	(7,763,168)	(1,547,100)
	8,462	853
Net cash provided by/(used in) operating activities	18 <u>6,944,417</u>	<u>(34)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for held-to-maturity investments	(5,068,051)	(782)
Net cash used by investing activities	<u>(5,068,051)</u>	<u>(782)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	<u>1,876,366</u>	<u>(816)</u>
Cash and cash equivalents at end of financial year	6 <u><u>1,876,366</u></u>	<u><u>(816)</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Basis of preparation of the financial statements

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 Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

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

Comparatives are consistent with prior years, unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Branch and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Service fees

Revenue from the provision of service fees from the New South Wales Nurses and Midwives' Association is recognised on an accruals basis and is recorded as revenue in the year to which it relates.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(b) Revenue and other income (Continued)

Membership fees

Revenue from the provision of membership subscriptions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Branch's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Branch renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Branch does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Branch's management to hold them until maturity.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Branch's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Branch assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(e) Impairment of non-financial assets

At the end of each reporting period the Branch determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(e) Impairment of non-financial assets (Continued)

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined benefit superannuation schemes

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(g) Employee benefits (Continued)

Defined benefit superannuation schemes (Continued)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive a lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2015.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(g) Employee benefits (Continued)

Defined benefit superannuation schemes (Continued)

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(h) Adoption of new and revised accounting standards

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

(i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Branch where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	Mandatory for financial years commencing on or after 1 January 2018.	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	There will be no impact on the Branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Branch does not have any such liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(i) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	Mandatory for financial years commencing on or after 1 January 2018.	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period.</p> <p>They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>	Management have assessed that this will not have any impact upon the way revenue is recognised under the current arrangements in place with customers.
AASB 16 Leases	Mandatory for financial years commencing on or after 1 January 2019.	AASB 16 Leases requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	There will be no impact upon the Branch as it does not have any leases in place.

(j) Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as a revenue and/or expense in the year to which it relates.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies (Continued)

(k) Going concern

The Branch is reliant on the agreed financial support of New South Wales Nurses and Midwives' Association to continue on a going concern basis. A formal undertaking has been made that the New South Wales Nurses and Midwives' Association will provide sufficient funds to ensure that the Branch can meet its obligations to the New South Wales Nurses and Midwives' Association under the relevant service agreement.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

During the period from October 2016 and May 2017, the Branch has acquired the following assets and liabilities as a result of a restructure involving the New South Wales Nurses and Midwives' Association (NSWNMA):

- Cash received from NSWNMA totalled \$6,240,268
- Employee benefits liabilities transferred to the Branch totalled \$5,587,790
- Defined Benefit Plan Obligation and related on costs transferred to the Branch totalled \$652,478

Apart from the above, the Branch did not acquire an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.

3 Critical Accounting Estimates and Judgments

The Branch Council make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Revenue and Other Income

		2017	2016
	Note	\$	\$
Service Fee - NSW Nurses and Midwives' Association (NSWNMA)	17	13,618,436	1,250,592
Contribution from NSWNMA towards other expenses	17	-	56,308
Interest income		70,735	853
Capitation fees		-	-
Levies		-	-
Grants or donations		-	-
Membership fees*		-	-
Financial support received from another Reporting Unit		-	-
Other income		8,440	-
Total Revenue		13,697,611	1,307,753

* - Membership fees are received by the New South Wales Nurses and Midwives' Association, which entitles members to hold dual membership with that entity and also the Branch, subject to an overall service agreement with them. Under this agreement, specific membership fees are not separately quantifiable and hence not able to be disclosed. Refer to Note 17 for further details of related party transactions.

Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Expenses

	Note	2017 \$	2016 \$
Employee expenses			
Office holders*			
Wages and salaries		-	-
Superannuation		-	-
Leave and other entitlements		-	-
Separation and redundancies		-	-
Other employee expenses		-	-
		-	-
Employees other than office holders			
Wages and salaries		8,860,708	-
Superannuation		859,187	-
Leave and other entitlements		579,870	-
Separation and redundancies		-	-
Other employee expenses (FBT expense, payroll tax expense, workers compensation expense)		670,892	-
		10,970,657	-
Capitation fees - Australian Nursing and Midwifery Federation, National Office	17	1,310,109	1,246,092
Affiliation fees - Alzheimer's Australia		73	-
Affiliation fees - HISA		282	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		13,857	26,617
Grants - total paid that were \$1,000 or less		-	-
Grants - total paid that exceeded \$1,000		-	-
Donations - total paid that were \$1,000 or less		-	-
Donations - total paid that exceeded \$1,000		-	-
Legal costs - litigation		-	-
Legal costs - other matters		4,353	-
Penalties - via RO Act or RO Regulations		-	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Expenses (Continued)

* There are no office holders directly remunerated by the Branch. This function is outsourced to the New South Wales Nurses and Midwives' Association, and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not able to be reliably measured and hence not separately quantifiable for disclosure. Refer to Note 17 for details of payments made to related parties.

6 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	<u>1,877,673</u>	<u>1,307</u>

7 Trade and Other Receivables

CURRENT

Trade receivables	270,000	-
Other receivables	62,394	5,071
	<u>332,394</u>	<u>5,071</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Trade and Other Receivables (Continued)

(a) Receivables from other reporting units

	2017	2016
	\$	\$
Australian Nursing and Midwifery Federation, Federal Office	-	-
Less: provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>
New South Wales Nurses and Midwives' Association	270,000	4,950
Less: provision for doubtful debts	-	-
	<u>270,000</u>	<u>4,950</u>

8 Other financial assets

CURRENT

Held-to-maturity financial assets -
term deposits

5,099,999	31,948
-----------	--------

9 Other Assets

CURRENT

Prepayments

85,902	-
--------	---

10 Trade and Other Payables

Trade creditors

99,038	-
--------	---

GST and other payables

840,889	4,950
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<u>939,927</u>	<u>4,950</u>
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All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Trade and Other Payables (Continued)

(a) Payables to other Reporting Units:

	2017	2016
	\$	\$
Australian Nursing and Midwifery Federation, National Office	-	-
New South Wales Nurses and Midwives' Association	-	-

(b) Other payables

Consideration to employers from payroll deductions	-	-
Legal costs - litigation	-	-
Legal costs - other legal matters	-	-

11 Employee Benefits

Current liabilities		
Long service leave	2,931,667	-
Provision for employee benefits	2,670,884	-
	<u>5,602,551</u>	-
Non-current liabilities		
Long service leave	191,410	-
Net defined benefit obligations	<u>691,944</u>	-
	<u>883,354</u>	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Employee Benefits (Continued)

	2017	2016
	\$	\$
Employee provisions		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	-	-
Employees other than office holders:		
Annual leave	2,058,585	-
Long service leave	3,123,077	-
Separations and redundancies	-	-
Other	612,299	-
	<hr/>	<hr/>
	5,793,961	-
	<hr/>	<hr/>
Total employee provisions	5,793,961	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Employee Benefits (Continued)

Defined Benefit Plans

The Branch has no legal obligation to settle the defined benefit liability with an immediate contribution or additional one off contribution.

The following sets out details in respect of the defined benefit superannuation plans in which the Branch participates in.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.

Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions.

Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Employee Benefits (Continued)

(a) Defined Benefit Plans - Reconciliations

	Defined benefit liability / asset	Fair value of fund assets	Present value of the defined benefit obligation
2017	\$	\$	\$
Interest income	-	(5,594)	-
Interest expense	6,581	-	987
Remeasurements of the net defined benefit liability / asset:			
Return on plan assets (excluding interest)	(136,101)	136,101	-
Actuarial gains and loss arising from changes in financial assumptions	(64,969)	-	(64,969)
Actuarial gains and losses arising from liability experience	557,363	-	557,363
Contributions to the plan:			
By employer	329,070	(329,068)	-
Benefits paid	-	4,906,528	4,906,528
Taxes, premiums and expenses paid	-	(6,835)	(6,835)
Closing balance	691,944	4,701,132	5,393,074

Contributions to the plan:

(b) Defined Benefit Plans - Asset ceiling

There has been no adjustment for the effect of the asset ceiling at the beginning, end or during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Employee Benefits (Continued)

(c) Defined Benefit Plans - Actuarial assumptions

	2017	2016
Discount rate	3.75%	- %
Inflation	2.00 - 2.50%	- %
Future salary increases	2.50 - 3.50%	- %

Sensitivity analysis to show how the defined benefit obligation would have changed based on a reasonably possible movement in each significant actuarial assumption at the reporting date has been provided below.

30 June 2017 Actuarial assumption	Reasonably possible movement	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(290,001)	334,300
Inflation	0.5%	38,154	(34,833)
Future salary increases	0.5%	115,991	(111,741)

(d) Defined Benefit Plans - Plan assets

The fair value of plan assets comprises the following classes of assets:

Class of asset	2017		Total	% of total
	Quoted \$	Unquoted \$		
Cash and cash equivalents	3,077,362	9,945	3,087,307	7.70
Australian Fixed Interest	997	2,499,728	2,500,725	6.24
International Fixed Interest	-	480,991	480,991	1.20
Australian Equities	8,947,483	498,596	9,446,079	23.56
International Equities	9,033,497	3,020,006	12,053,503	30.07
Property	926,105	2,527,002	3,453,107	8.61
Alternatives	390,899	8,675,156	9,066,055	22.62
Total	22,376,343	17,711,424	40,087,767	

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Employee Benefits (Continued)

(e) **Defined Benefit Plans - Asset-liability matching strategy**

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

(f) **Defined Benefit Plans - Profit and loss and other comprehensive income impact**

	2017	2016
	\$	\$
The amounts recognised in the profit or loss are as follows:		
Current service cost	-	-
Net interest	(6,581)	-
	<u>(6,581)</u>	<u>-</u>
Amounts recognised in other comprehensive income are as follows:		
Remeasurements of retirement benefit obligations	(146,265)	-

(g) **Defined Benefit Plans - Funding Arrangements**

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2015. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

The expected contributions for the year ending 30 June 2018 are \$nil.

(h) **Defined Benefit Plans - Maturity Profile**

The weighted average duration of the defined benefit obligation is 7.7 years.

(i) **Defined Benefit Plans - Description of significant events**

There were no fund amendments, curtailments or settlements during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2017

12 Funds

	2017	2016
Note	\$	\$
Compulsory levy/voluntary contribution fund	-	-
Other funds required by the Rules	-	-
	<u>-</u>	<u>-</u>

13 Financial Risk Management

The main risks Australian Nursing and Midwifery Federation New South Wales Branch is exposed to through its financial instruments is credit risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	6	1,877,673	1,307
Held-to-maturity investments	8	5,099,999	31,948
Trade and other receivables	7	332,394	5,071
Total financial assets		<u>7,310,066</u>	<u>38,326</u>

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	10	939,927	4,950

Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the Branch will encounter difficulty in meeting its financial obligations as they fall due.

The Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Branch manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Branch expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Financial Risk Management (Continued)

Liquidity risk (Continued)

The Branch's liabilities have contractual maturities which are summarised below:

	Less than 1 year		Total	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade and other payables	939,927	4,950	939,927	4,950

Credit risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Branch.

The following table details the Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Branch.

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Financial Risk Management (Continued)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2017							
Trade and term receivables	270,000	-	-	-	-	-	270,000
Other receivables	62,394	-	-	-	-	-	62,394
Total	332,394	-	-	-	-	-	332,394
2016							
Other receivables	5,071	-	-	-	-	-	5,071
Total	5,071	-	-	-	-	-	5,071

The Branch does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

The Branch is not exposed to a material level of interest rate risk or equity price risk.

Net income from financial assets

	2017	2016
	\$	\$
Held-to-maturity - interest revenue	70,735	853

Notes to the Financial Statements

For the Year Ended 30 June 2017

14 Key Management Personnel Disclosures

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

	2017	2016
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total remuneration	<u>-</u>	<u>-</u>

There are no office holders directly remunerated by the Federation. This function is outsourced to the New South Wales Nurses and Midwives' Association, and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not separately quantifiable and hence are not able to be disclosed. Refer to note 17 for details of payments made to related parties.

15 Auditor's Remuneration

Remuneration of the auditor of the branch, Daley & Co
Chartered Accountants, for auditing the financial
statements

<u>24,500</u>	<u>4,500</u>
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No other services were provided by the auditors of the financial statements.

16 Contingencies

In the opinion of the Branch Councillors, the Branch did not have any contingencies at 30 June 2017 (30 June 2016: None).

17 Related Parties

(a) The Branch's main related parties are as follows:

(i) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Notes to the Financial Statements

For the Year Ended 30 June 2017

17 Related Parties (Continued)

For details of remuneration disclosures relating to key management personnel, refer to Note 14: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) New South Wales Nurses & Midwives' Association:

The Branch is associated with the New South Wales Nurses & Midwives' Association, with the majority of members of the Branch also being members of the Association.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	2017	2016
	\$	\$
Capitation fees paid to Federal Office of the Australian Nursing and Midwifery Federation (fees determined by Federal Office)	(1,310,109)	(1,246,092)
Biennial National Conference contributions to Federal Office of Australian Nursing and Midwifery Federation	(26,050)	(26,617)
Other resource purchases from Federal Office of Australian Nursing and Midwifery Federation	(20,509)	(29,339)
Other reimbursements from Federal Office of Australian Nursing and Midwifery Federation	(1,400)	-
Meeting expenses invoiced to Federal Office of Australian Nursing and Midwifery Federation	1,919	-
Other fees invoiced to Federal Office of Australian Nursing and Midwifery Federation	807	-
Service fees received from New South Wales Nurses & Midwives' Association	13,618,436	1,250,592
Service fees paid to New South Wales Nurses & Midwives' Association	(922,500)	-
Various campaign and expense funding received from New South Wales Nurses & Midwives' Association	-	56,308
Transfer of employee entitlements from New South Wales Nurses and Midwives' Association	5,587,790	-
Transfer of Defined Benefit Plan obligation and associated on costs from New South Wales Nurses and Midwives' Association	652,478	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

17 Related Parties (Continued)

(b) Transactions with related parties (Continued)

Amounts owed to and amounts owed by the Branch to other Reporting Units are disclosed in notes 7(a) and 10(a) respectively.

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2017	2016
	\$	\$
Result for the year	83,025	793
Non-cash flows in the operating profit (loss):		
- actuarial movement in defined benefit fund	(146,265)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(327,323)	108,629
- (increase)/decrease in prepayments	(85,902)	-
- increase/(decrease) in trade and other payables	934,977	(109,456)
- increase/(decrease) in employee provisions	5,793,961	-
- increase/(decrease) in net defined benefit fund liability	691,944	-
Net cash inflow/(outflow) from operating activities	<u>6,944,417</u>	<u>(34)</u>

(b) Cash flow information

Net cash flows to Reporting Units:

Australian Nursing and Midwifery Federation, National Office	(1,490,275)	(1,540,983)
New South Wales Nurses and Midwives' Association	19,940,748	1,546,210

19 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2017

20 Financial affairs administered by another entity

The financial affairs of the Branch are administered by the New South Wales Nurses' and Midwives Association. These services are remunerated through the Service Fees from the Association. The specific fees for the administering of financial affairs cannot be quantified. All related party transactions between the two entities are recorded at note 17.

21 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members of General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Independent Audit Report to the members of Australian Nursing and Midwifery Federation New South Wales Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Nursing and Midwifery Federation New South Wales Branch (the Reporting Unit), which comprises the balance sheet as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Nursing and Midwifery Federation New South Wales Branch as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of Wages Activity financial report

The scope of our audit did extend to the recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.



Daley & Co
Chartered Accountants



Stephen Milgate
Partner

Wollongong
11 October 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA 2017/127.

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