



25 February 2020

Peter Anderson  
National & Vic Secretary/Treasurer  
Australian Road Transport Industrial Organization

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CC: [paulryan@bigpond.net.au](mailto:paulryan@bigpond.net.au)  
[andrew.marks@williambuck.com](mailto:andrew.marks@williambuck.com)

Dear Peter Anderson,

**Australian Road Transport Industrial Organization  
Financial Report for the year ended 30 June 2019 – (FR2019/167)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australian Road Transport Industrial Organization (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 6 December 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**General purpose financial report**

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that Note 2 *Information provided to members or registrar* refers to the Registrar and General Manager instead of the Commissioner.

## Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the body of the notes includes the following nil activity disclosures multiple times:

- Agree to provide financial support to another reporting unit to ensure they continue as a going concern (note 1(j) & note 17(c));
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission (note 12 & note 17(d));
- Receive revenue via compulsory levies (note 1(h) & note 17(e));
- Receive donations or grants (note 1(h) & note 17(f));
- Incur fees as consideration for employers making payroll deductions of membership subscriptions (note 1(i) & note 17(h));
- Pay capitation fees to another reporting unit (note 1(i) & note 17(i));
- Pay affiliation fees to another reporting unit (note 1(i) & note 17(j));
- Pay compulsory levies (note 1(i) & note 17(k));
- Pay a grant that was \$1,000 or less (note 1(i), note 15 & note 17(l));
- Pay a grant that exceeded \$1,000 (note 1(i), note 15 & note 17(m));
- Pay a donation that was \$1,000 or less (note 1(i), note 15 & note 17(n));
- Pay a donation that exceeded \$1,000 (note 1(i), note 15 & note 17(o));
- Pay salaries and wages expense for holders of office (note 1(i) & note 17(p));
- Pay superannuation expense for holders of office (note 1(i) & note 17(q));
- Pay leave and other entitlements expense for holders of office (note 1(i) & note 17(r));
- Pay separation and redundancy expense for holders of office (note 1(i) & note 17(s));
- Pay other employment expenses for holders of offices (note 1(i) & note 17(t));
- Pay salaries and wages expense for employees (other than holders of offices) (note 1(i) & note 17(u));
- Pay superannuation expense for employees (other than holders of offices) (note 1(i) & note 17(v));
- Pay leave and other entitlements expense for employees (other than holders of offices) (note 1(i) & note 17(w));
- Pay separation and redundancy expense for employees (other than holders of offices) (note 1(i) & note 17(x));
- Pay other employment expenses for employees (other than holders of offices) (note 1(i) & note 17(y));
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit (note 1(i) & note 17(z));
- Pay legal costs relating to litigation (note 9 & note 17(bb));
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009 (note 1(i) & note 17(cc));

- Have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions (note 1(i) & note 17(ff));
- Have a payable in respect of legal costs relating litigation (note 1(i) & note 17(gg));
- Have a payable in respect of legal costs relating to other legal matters (note 1(i) & note 17(hh));
- Have a liability for annual leave for holders of offices (note 1(i) & note 17(ii));
- Have a liability for long service leave for holders of offices (note 1(i) & note 17(jj));
- Have a liability for separation and redundancy for holders of offices (note 1(i) & note 17(kk));
- Have a liability for other employment provisions for holders of offices (note 1(i) & note 17(ll));
- Have a liability for annual leave for employees (other than holders of offices) (note 1(i) & note 17(mm));
- Have a liability for long service leave for employees (other than holders of offices) (note 1(i) & note 17(nn));
- Have a liability for separation and redundancy for employees (other than holders of offices) (note 1(i) & note 17(oo)); and
- Have a liability for other employment provisions for employees (other than holders of offices) (note 1(i) & note 17(pp)).

Please note that nil activities only need to be disclosed once.

I also note that the notes contained nil activity information for all prescribed RG categories except the following:

- Receive periodic or membership subscriptions (RG13(a)); and
- Have another entity administer the financial affairs of the reporting unit (RG19).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

#### Recovery of wages disclosure

Please note that under the 5<sup>th</sup> edition of the RG made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

I note that the committee of management statement still discloses a statement in regard to recovery of wages activity. As abovementioned, if recovery of wages activity has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

#### Inconsistency in disclosure of financial information

The statement of changes in equity discloses a balance of retained earnings of \$49,877 for the 2019 financial year (2018: \$45,791). Note 17 *Nil Activity Disclosure*, however includes a nil disclosure in relation to a balance in the general fund (note 17(ss)). It would appear that retained earnings is the reporting unit's general fund.

The statement of cash flows discloses cash received from various branches of the reporting unit. Note 17, however includes nil disclosure of receiving cash flows from another reporting units and/or controlled entity (note 17(uu)).

The statement of profit or loss and other comprehensive income discloses meeting expenses – National Council of \$538 for the 2019 financial year (2018: \$282). Note 17, however includes a nil

disclosure of incurring expenses due to holding a meeting as required under the rules of the organisation (note 17(aa)).

In future years, please ensure that items within the financial report are disclosed consistently.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,




**Kylie Ngo**  
**Registered Organisations Commission**

**Certificate of Secretary or other Authorised Officer**  
s268 of the Fair Work (Registered Organisations) Act 2009

I **Peter Anderson** being the *Secretary/Treasurer* of the Australian Road Transport Industrial Organization (ARTIO) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the Act for ARTIO for the period ending 30 June 2019; and
- that the full report (which includes the Auditor's Report and the Operating Report) was available to members in accordance with s265 of the Act on and **from 29 November 2019**; and
- that the full report, was presented to and accepted by the Committee of Management at its meeting held on 4 December 2019 in accordance with Rule 35A of the Organisation's rules.

Signature:

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a long horizontal stroke that ends in a small loop.

Secretary/Treasurer

Date: 4 December 2019

**AUSTRALIAN ROAD TRANSPORT  
INDUSTRIAL ORGANISATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED  
30 JUNE 2019**

<b>INCOME</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Branch Fees</b>			
New South Wales		24,000	20,000
Queensland		24,000	20,000
Tasmania		10,000	7,000
Victoria		24,000	20,000
Western Australia		<u>-</u>	<u>11,000</u>
		<b>82,000</b>	<b>78,000</b>
Directors Fees		30,000	30,000
Sundry Income	6	<u>-</u>	<u>-</u>
		<b>30,000</b>	<b>30,000</b>
		<u><b>112,000</b></u>	<u><b>108,000</b></u>
<b>EXPENSES</b>			
Accountancy		2,183	2,482
Audit Fees	8	5,000	6,000
Bank Charges		120	120
Consultants Fees	7	76,800	76,800
General Expenses		455	659
Insurance		5,411	5,381
Internet Fees		1,500	5,047
Legal Fees	9	6,770	5,735
Meeting Expense - National Council		538	282
Subscriptions		1,745	1,718
Training Expenses		5,750	-
Travelling Expenses		<u>1,642</u>	<u>3,846</u>
		<b>107,914</b>	<b>108,070</b>
<b>NET SURPLUS/ (DEFICIT) FROM OPERATIONS</b>		<u><b>4,086</b></u>	<u><b>(70)</b></u>

The accompanying notes form part of these financials accounts.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2019**

	Note	2019	2018
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	55,241	54,484
Accounts Receivable and Other Debtors	4	-	-
<b>TOTAL CURRENT ASSETS</b>		<u>55,241</u>	<u>54,484</u>
<b>TOTAL ASSETS</b>		<u>55,241</u>	<u>54,484</u>
<b>LIABILITIES CURRENT LIABILITIES</b>			
Accounts Payable and Other Payables	5	<u>5,364</u>	<u>8,693</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,364</u>	<u>8,693</u>
<b>TOTAL LIABILITIES</b>		<u>5,364</u>	<u>8,693</u>
<b>NET ASSETS</b>		<u>49,877</u>	<u>45,791</u>
<b>EQUITY</b>			
Retained Earnings		<u>49,877</u>	<u>45,791</u>
<b>TOTAL EQUITY</b>		<u>49,877</u>	<u>45,791</u>

The accompanying notes form part of these financials accounts.



**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

	\$
<b>Retained Earnings at 1 July 2015</b>	<b>18,870</b>
Surplus (Deficit) attributable to Members	<u>9,038</u>
<b>Retained Earnings (Deficit) at 30 June 2016</b>	<b><u>27,908</u></b>
Surplus (Deficit) attributable to Members	<u>17,952</u>
<b>Retained Earnings (Deficit) at 30 June 2017</b>	<b><u>45,860</u></b>
Surplus (Deficit) attributable to Members	<u>(70)</u>
<b>Retained Earnings (Deficit) at 30 June 2018</b>	<b><u>45,791</u></b>
Surplus (Deficit) attributable to Members	<u>(70)</u>
<b>Retained Earnings (Deficit) at 30 June 2018</b>	<b><u>45,791</u></b>
Surplus (Deficit) attributable to Members	<u>4,086</u>
<b>Retained Earnings (Deficit) at 30 June 2019</b>	<b><u>49,877</u></b>

The accompanying notes form part of these financials accounts.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019	2018
Receipts from Customer and Members		112,000	114,750
Payments to Suppliers and Members		<u>(111,243)</u>	<u>(106,040)</u>
<b>Net Cash provided by (used in) Operating Activities Note (a)</b>		<u>757</u>	<u>8,710</u>
Net Increase in Cash held		757	8,710
Cash at beginning of Financial Year		<u>54,484</u>	<u>45,774</u>
<b>Cash at end of Financial Year Note (a)</b>		<u>55,241</u>	<u>54,484</u>
<b>Receipts from Customers and Members include:</b>			
Branch Affiliation Fees			
ARTIO New South Wales Branch		24,000	20,000
ARTIO Queensland Branch		24,000	20,000
ARTIO Tasmanian Branch		10,000	7,000
ARTIO Victoria Branch		24,000	20,000
ARTIO Western Australian Branch		-	11,000
<b>Note (a)</b>			
<b>Reconciliation of Profit / (Deficit) to Net Cash from Operating Activities:</b>			
Profit / (Deficit) for the Year		4,086	(70)
<b>Changes in Assets/Liabilities</b>			
(Increase) /Decrease in Net Receivables		-	6,750
Increase / (Decrease) in Supplier Payables		<u>(3,329)</u>	<u>2,030</u>
<b>Net Cash provided by (used in) Operating Activities</b>		<u>757</u>	<u>8,710</u>

The accompanying notes form part of these financials accounts.

## AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION

This financial report covers Australian Road Transport Industrial Organisation as an individual entity.

### 1. INFORMATION PROVIDED TO MEMBERS OR REGISTRAR

#### **Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, mandatory reporting requirements and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements the Organisation is a not for profit entity.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities 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.

#### **(a) Accounting Judgments and Estimates**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(i) Critical Accounting Estimates and Assumptions**

The Organisation makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

##### **(ii) Critical Judgments in applying the Branch's Accounting Principles**

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

#### **(b) 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.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***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 are expected to have a future financial impact on the organisation.

**(c) Income Tax Expense**

The organisation is registered as an "Industrial Organisation" and has an exemption from income tax under Division 50 of the Income Tax Assessment Act 1997.

**(d) Contingent Liabilities and Contingent Assets**

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.

**(e) Financial Instruments Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the organisation commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction 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.

**(f) Impairment of Assets**

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

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

**(g) Cash and Cash Equivalents**

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

**(h) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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.

Revenue from the provision of membership subscriptions is recognised on an accrual basis over the financial year.

In accordance with Regulation 16 of the Reporting Guidelines (Fair Work (Registered Organisations) Regulations 2009)), the organisation declares that it has not received any of the following revenue streams during the financial year;

Compulsory levies or voluntary contributions  
Donations or grants  
Financial support from another reporting unit

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

**(i) Expenditure**

In accordance with Regulation 18 of the Reporting Guidelines the organisation declares that it has not incurred any of the following expenses during the financial year;

- (i) Costs of employers making payroll deductions of members subscriptions
- (ii) Capitation fees paid.
- (iii) Fees or subscriptions for affiliation with any political party, federation, congress, councilor group of organisations or any international body with an interest in industrial affairs
- (iv) Compulsory levies
- (v) Grants or donations
- (vi) Employee expenses to office holders or employees as there were no employees during the reporting period
- (vii) Fees or allowances paid to persons for conference attendances
- (viii) Penalties imposed under the Registered Organisations Act with respect to the conduct of the reporting unit

**(i) Liabilities**

In accordance with Regulation 21 of the Reporting Guidelines of the organisation declares that there were no liabilities at the 30 June 2019 for the following:

- (i) Amounts payable for costs of employers making payroll deductions of members' subscriptions.
- (ii) Amounts payable for legal costs
- (iii) Provision for employee entitlements to office holders or employees as there were no employees during the reporting period.

**(j) Related Reporting Units**

The organisation is a National Body made up of State based organisations as its members.

The organisation relies on the financial support of the State based organisations through the payment of annual subscriptions.

The organisation does not provide financial support to any other reporting organisation.

**(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(m) Comparative Figures**

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

**(n) Going Concern**

These financial statements are prepared on a going concern basis. During the financial year the organisation received financial support from its state based branches by payment of annual subscriptions.

## 2. INFORMATION PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:-

- (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).

3. CASH AND CASHEQUIVALENTS	Note	2019	2018
Cash at Bank - National \$	10	<u>55,241</u>	<u>54,484</u>
		<u>55,241</u>	<u>54,484</u>
<b>4. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>			
<b>Current</b>			
Trade Debtors		-	-
Other Taxation Refunds		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>5. ACCOUNTS PAYABLE AND OTHER PAYABLES</b>			
<b>Current</b>			
GST Payable		364	293
Other Creditors and Accruals		<u>5,000</u>	<u>8,400</u>
	10	<u>5,364</u>	<u>8,693</u>
<b>6. SUNDRY INCOME</b>			
<b>IR Newsletter Service - Cost Recovery</b>			
ARTIO Queensland		-	-
ARTIO New South Wales		-	-
ARTIO Tasmania		-	-
ARTIO Victoria		-	-
ARTIO West Australia		-	-
Interest Received		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>7. EXPENSES</b>			
<b>Consultant Fees</b>			
Hugh McMaster Consulting		-	1,560
Strategic Industrial Planning Services		<u>76,800</u>	<u>75,240</u>
		<u>76,800</u>	<u>76,800</u>

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2019	2018
<b>8. REMUNERATION OF AUDITORS</b>		
<b>Value of the Services provided</b>		
Financial Statement Audit Services – Current Auditor	5,000	6,000
Financial Statement Audit Services – Previous Auditor	-	-
Other Services	<u>-</u>	<u>-</u>
<b>Total Remuneration of Auditors</b>	<u>5,000</u>	<u>6,000</u>
<b>9. LEGAL FEES</b>		
Litigation	-	-
Other	<u>6,770</u>	<u>5,735</u>
	<u>6,770</u>	<u>5,735</u>

**10. FINANCIAL RISK MANAGEMENT**

The organisations financial instruments consists mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 7 as detailed in the accounting policies to these financial statements are as follows:-

<b>Financial Assets</b>	<b>Note</b>		
Cash & Cash Equivalents	3	55,241	54,484
Loans & Receivables	4	<u>-</u>	<u>-</u>
		<u>55,241</u>	<u>54,484</u>
<b>10. FINANCIAL RISK MANAGEMENT (cont'd)</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Financial Liabilities</b>			
Trade & Other Payables	5	<u>5,364</u>	<u>8,693</u>
		<u>5,364</u>	<u>8,693</u>

**Financial Risk Management Policies**

The Committee's overall risk management strategy seeks to assist the organisation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Committee on a regular basis. These included the credit risk policies and future cash flow requirements.

Cash and cash equivalents are held in a high quality financial institution.

The organisation does not invest in shares or derivative instruments and therefore does not expose itself to the fluctuations in price that are inherent in such a market.



**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

11.	<b>FINANCIAL RISK MANAGEMENT (cont'd)</b>	Note	<b>2019</b>	<b>2018</b>
			\$	\$
	<b>Financial Liabilities</b>			
	Trade & Other Payables	5	<u>5,364</u>	<u>8,693</u>
			<u>5,364</u>	<u>8,693</u>

**Financial Risk Management Policies**

The Committee's overall risk management strategy seeks to assist the organisation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Committee on a regular basis. These included the credit risk policies and future cash flow requirements.

Cash and cash equivalents are held in a high quality financial institution.

The organisation does not invest in shares or derivative instruments and therefore does not expose itself to the fluctuations in price that are inherent in such a market.

**12. OTHER ACQUISITIONS OF ASSETS OR LIABILITIES**

During the financial year the Organisation has not acquired an asset or liability as a result of:-

- (a) An amalgamation under Part 2 of Chapter 3 of the RO Act.
- (b) A restructure of branches of the organisation.
- (c) A determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation.
- (d) A revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245 (1).
- (e) A business combination.

**13. SUBSEQUENT EVENTS**

Other no events occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Australian Road Transport Industrial Organisation.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**14. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

There were no contingent liabilities, assets or commitments at 30 June 2019.

**15. Grants and Donations**

	2019	2018
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

**16. ADDITIONAL INFORMATION**

The Registered Office of the Organisation is:-  
Level 1  
Mirrat House  
46 Kooringa Way  
Port Melbourne 3207, Victoria

**17. NIL Activity Disclosure**

- (a) During the reporting period the reporting unit did not:
- (b) agree to receive financial support from another reporting unit to continue as a going concern
- (c) agree to provide financial support to another reporting unit to ensure they continue as a going concern
- (d) acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- (e) receive revenue via compulsory levies
- (f) receive donations or grants
- (g) receive revenue from undertaking recovery of wages activity
- (h) incur fees as consideration for employers making payroll deductions of membership subscriptions
- (i) pay capitation fees or any other expense to another reporting unit
- (j) pay affiliation fees to other entity
- (k) pay compulsory levies
- (l) pay a grant that was \$1,000 or less
- (m) pay a grant that exceeded \$1,000
- (n) pay a donation that was \$1,000 or less
- (o) pay a donation that exceeded \$1,000
- (p) pay wages and salaries to holders of office
- (q) pay superannuation to holders of office
- (r) pay leave and other entitlements to holders of office
- (s) pay separation and redundancy to holders of office
- (t) pay other employee expenses to holders of office
- (u) pay wages and salaries to employees (other than holders of office)
- (v) pay superannuation to employees (other than holders of office)
- (w) pay leave and other entitlements to employees (other than holders of office)
- (x) pay separation and redundancy to employees (other than holders of office)
- (y) pay other employee expenses to employees (other than holders of office)
- (z) pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

- (aa)** incur expenses due to holding a meeting as required under the rules of the organisation
- (bb)** pay legal costs relating to litigation
- (cc)** pay a penalty imposed under the RO Act or the Fair Work Act 2009
- (dd)** have a receivable with other reporting unit(s)
- (ee)** have a payable with other reporting unit(s)
- (ff)** have a payable to an employer for that employer making payroll deductions of membership subscriptions
- (gg)** have a payable in respect of legal costs relating to litigation
- (hh)** have a payable in respect of legal costs relating to other legal matters
- (ii)** have an annual leave provision in respect of holders of office
- (jj)** have a long service leave provision in respect of holders of office
  
- (kk)** have a separation and redundancy provision in respect of holders of office
- (ll)** have other employee provisions in respect of holders of office
- (mm)** have an annual leave provision in respect of employees (other than holders of office)
- (nn)** have a long service leave provision in respect of employees (other than holders of office)
- (oo)** have a separation and redundancy provision in respect of employees (other than holders of office)
- (pp)** have other employee provisions in respect of employees (other than holders of office)
- (qq)** have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- (rr)** transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- (ss)** have a balance within the general fund
- (tt)** provide cash flows to another reporting unit and/or controlled entity
- (uu)** receive cash flows from another reporting units and/or controlled entity
- (vv)** make a payment to a former related party of the reporting unit

**Australian Road Transport Industrial Organisation**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)**

*for the period ending 30 June 2019*

The Committee of Management presents the expenditure report<sup>1</sup> as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Descriptive form

<b>Categories of expenditures</b>	<b>2019 \$</b>	<b>2018 \$</b>
Remuneration and other employment-related costs and expenses - employees	nil	nil
Advertising	Nil	nil
Operating costs	107,914	108,070
Donations to political parties	Nil	nil
Legal costs	6,770	5,735

Signature of designated officer:  .....

Name and title of designated officer: **Peter Anderson, Secretary/Treasurer**

26 November 2019

<sup>1</sup> Subsection 255(2A) provides a discretion to the reporting unit about how to report the required information. It is a matter for the reporting unit to determine whether the required information is presented in diagrammatic form such as, for example, a pie chart or whether it is reported in a descriptive form. Regardless, the reporting unit is only required to report the information in one format.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION  
OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Principal Activities**

The principal activities of the Organisation during the financial year were to promote, protect and advance the interests of its members through the maintenance of Industrial Instruments, including Modern Awards, the development of EBA's and representation of members in various state and federal Industrial Commissions and Tribunals.

**Results of Principal Activities**

The Organisation's principal activities resulted in maintaining and improving the position of its members within the Industrial Relations framework.

**Significant Changes in Nature of Principal Activities**

There were no significant changes in the nature of the Organisation's principal activities during the financial year.

**Significant Changes in Association's Financial Affairs**

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Organisation.

**Trustee or Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme**

The following officers of the Organisation held reserved positions in the following entities:

Michelle Harwood, Gary Mahon, Peter Anderson and Hugh McMaster as Directors of TWU Superannuation Nominees Pty Ltd, a trustee company that is the trustee of TWUSUPER.

**Number of Members**

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 278.

**Rights of Members to Resign**

Any member has the right to resign from the Organisation in accordance with the provisions of Rule 11 of the organisation's rules which states:

**"11 - RESIGNATION FROM MEMBERSHIP**

- (1) A member of the Organization may resign from membership by written notice addressed and delivered to the Secretary/Treasurer of the Branch of which it is a member.
- (2) A notice of resignation from membership of the Organization takes effect:
  - (a) where the member ceases to be eligible to become a member of the Organization;

- (i) on the day on which the notice is received by the Organization; or
  - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later; or
- (b) in any other case
  - (i) at the end of two (2) weeks after the notice is received by the Organization; or
  - (ii) on the day specified in the notice;
- whichever is later.

- (3) Any dues payable but not paid by a former member of the Organization, in relation to a period before the member's resignation from the Organization took effect, may be sued for and recovered in the name of the Organization, in a court of competent jurisdiction, as a debt due to the Organization.
- (4) A notice delivered to the person mentioned in sub-rule (1) is taken to have been received by the Organization when it was delivered.
- (5) A notice of resignation that has been received by the Organization is not invalid because it was not addressed and delivered in accordance and delivered in accordance with Rule 11(1).
- (6) A resignation from membership of the Organization is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Organization that the resignation has been accepted. "

#### **Number of Employees**

The Organisation has no employees and services are provided through an external consultant to the equivalent of 0.4 of a full-time equivalent employee.

#### **Members of Committee of Management**

The persons who held office as members of the Committee of Management of the Organisation at the beginning of the financial year were:

Laurie D'Apice, President.  
Cameron Dunn, Vice President,  
Dennis Sutton, Vice President – resigned 16 July 2018.  
Peter Anderson, Secretary/Treasurer  
Michelle Harwood – Committee Member  
Gary Mahon – Committee Member

During the 18/19 year - four yearly elections were held pursuant to ARTIO's Rules – see E2018/194.



Peter Anderson  
Secretary/Treasurer  
Date: 26 November 2019

### Committee of Management Statement

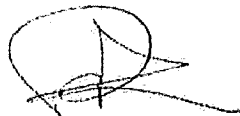
On 18 September, 2019 the Committee of Management of the Australian Road Transport Industrial Organization passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2019:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* ("RO Act"); and
  - (iv) been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) no request of a member of the reporting unit or the Commissioner was made under section 272 of the RO Act; and
  - (vi) there has been no order for inspection of financial records made by FWC under s. 273 of the RO Act;
- (f) the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

For Committee of Management: *Peter Anderson*  
Secretary/Treasurer

Signature:



Date: 26 November 2019

# Australian Road Transport Industrial Organisation

Independent auditor's report to members

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial report of Australian Transport Road Industrial Organisation (the Registered Organisation), which comprises the statement of financial position as at 30 June 2019, 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, and notes to the financial statements, including a summary of significant accounting policies, and committee of management statement. The Financial report also includes the Report required under Subsection 255(2A) of the Fair Work (Registered Organisations) Act 2009.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Transport Road Industrial Organisation as at 30 June 2019, 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 have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 30 June 2019 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 Registered Organisation 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.

**ACCOUNTANTS & ADVISORS**  
Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)



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

The Committee of Management are 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.

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 and Those Charged with Governance for the Financial Report**

The Committee of Management of the Registered Organisation 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 Registered Organisation'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 Registered Organisation'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 Registered Organisation 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Registered Organisation audit. We remain solely responsible for our audit opinion.

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 CPA Australia 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 Registered Organisation has not undertaken any recovery of wages activity during the reporting period as stated in section (f) of the committee of management statement. Therefore, no opinion can be provided in relation to recovery of wages activity.



**WILLIAM BUCK AUDIT (VIC) PTY LTD**  
ABN 59 116 151 136



**A.P Marks**  
Director

Dated: Melbourne 29<sup>th</sup> November, 2019

Registration number: AA2017/190



2 July 2019

Peter Anderson  
National & Vic Secretary/Treasurer  
Australian Road Transport Industrial Organization-Victoria Branch  
Sent via email: reception@vta.com.au

Dear Peter Anderson,

**Re: Lodgement of Financial Report - FR2019/164  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Road Transport Industrial Organization-Victoria Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

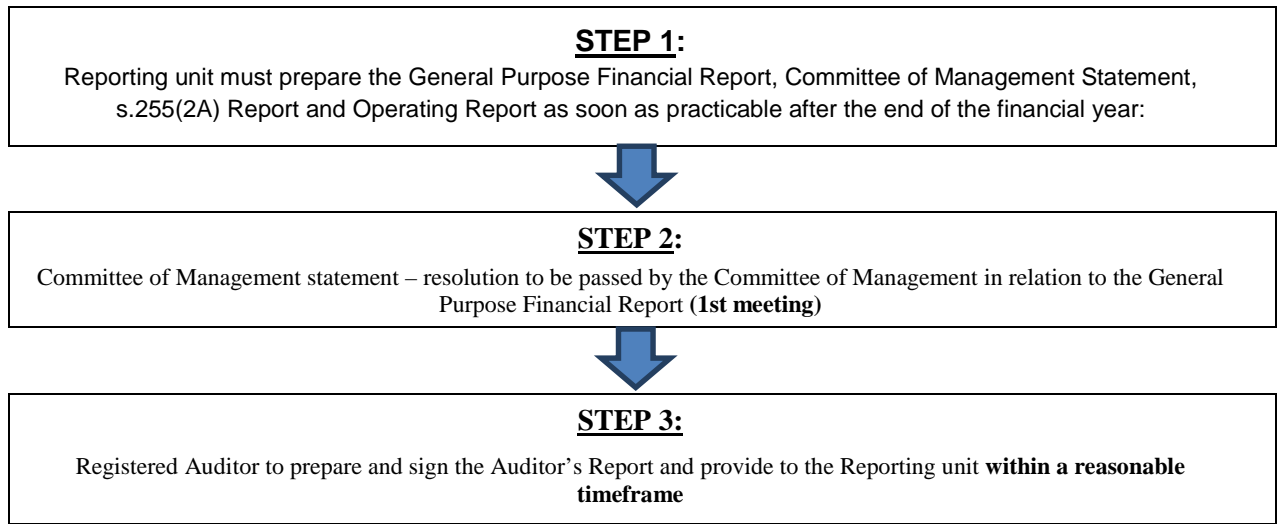


## Fact sheet

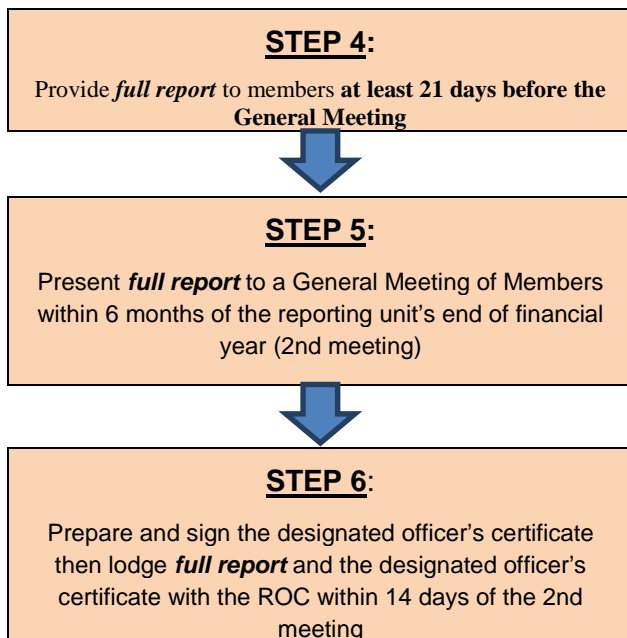
### Summary of financial reporting timelines – s.253 financial reports

#### General Information:

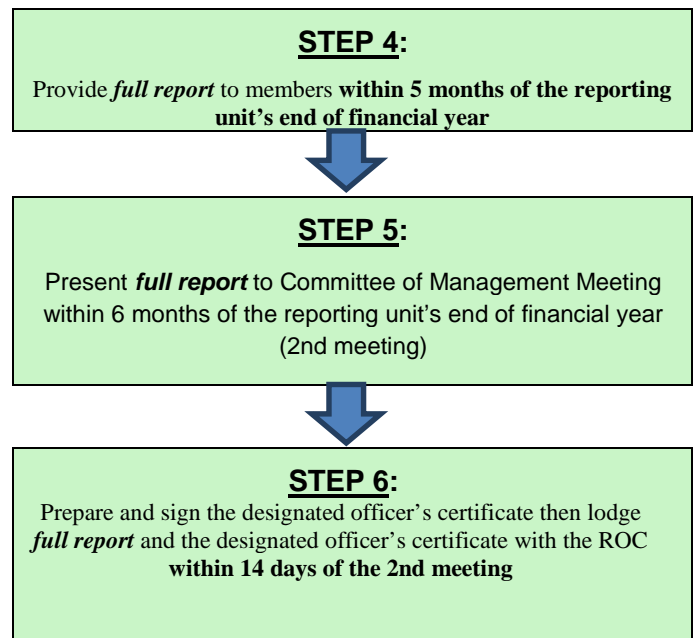
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



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





















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



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated <b>BEFORE</b> the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated <b>BEFORE</b> the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit <b>HAS ALREADY DONE</b> to provide the report to members and present it to the meeting. It must be signed and dated <b>AFTER</b> sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated <b>BEFORE</b> the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

© Commonwealth of Australia 2018

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## Fact sheet

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	<b>2017</b>	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.



## Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)