



FAIR WORK
COMMISSION

19 January 2017

Mr Dennis Sutton
Secretary/Treasurer, Western Australian Branch
Australian Road Transport Industrial Organisation

By email: reception@warta.com.au

Dear Mr Sutton

Re: Lodgement of Financial Statements and Accounts Australian Road Transport Industrial Organisation, Western Australian Branch - for year ended 30 June 2016 (FR2016/266)

I refer to the financial report for the Western Australian Branch of the Australian Road Transport Industrial Organisation. A partial copy of the report was lodged with the Fair Work Commission on 12 January 2017. A copy of the final version of the general purpose financial report was provided by the auditor today.

The financial report has been 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 do not have to take any further action in relation to the report lodged but I make the following comments to assist you when preparing the next report. Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Reports must be provided to Members within 5 months of end of financial year where report is presented before committee of management meeting

The Designated Officer's Certificate states that the full report was provided to members on 19 December 2016, and presented to a Committee of Management meeting on the same day. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of the end of the financial year, i.e. no later than 30 November. That implies that the committee must meet to sign the committee of management statement, and arrange to have the operating report and auditor's report signed prior to 30 November. I note that the committee of management did not meet to pass its resolution in respect of the financial report until 15 December², and the operating report and auditor's report were not signed until 19 December.

In these circumstances it should have been apparent to the Branch that it would not have been possible for the Branch to have provided a copy of the full report to the members by the

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

² The committee of management statement indicates it was not signed however until 11 January 2017. It should have been signed at the time of the committee meeting on 15 December, because the auditor includes reference to the statement in his report.

30 November deadline. The reporting unit should therefore have applied for an extension of time prior to 30 November.

Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the FWC within 14 days of the meeting at which the full report is presented. The Designated Officer's Certificate indicates that this meeting occurred on 19 December 2016. If this is correct the full report should have been lodged with the FWC no later than 2 January 2017.

Again, the Branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act.

Please note that in future financial years if the Branch anticipates that it will not be able to comply with the time frames prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the relevant period.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on [REDACTED] or [REDACTED] or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

**Australian Road Transport Industrial Organisation
Western Australian Branch
Financial Statements
For the Year ended 30 June 2016**

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Annual Report
for the Year Ended 30 June 2016**

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**Australian Road Transport Industrial Organisation
Western Australian Branch**

Independent Auditors' Report

To the Members of Australian Road Transport Industrial Organisation Western Australian Branch.

We have audited the general purpose financial report of Australian Road Transport Industrial Organisation Western Australian Branch, which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and committee of management's statement for the year then ended.

Committee of Management and the Secretary's Responsibility for the Financial Report

The committee of management and the organisation's secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

Independent Auditors' Report


Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Australian Road Transport Industrial Organisation Western Australian Branch as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial statements we have concluded that Management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 30 June 2016 is appropriate.

MERCIA TAXATION & ACCOUNTING PTY LTD

Certified Practising Accountants



Richard Lambe CPA
Approved auditor
CPA member no. 1280424
Mercia Taxation & Accounting
11 Kintail Road, Applecross WA 6153

Richard Lambe holds a current Public Practice Certificate

Dated this 19th day of December 2016

**Australian Road Transport Industrial Organisation
Western Australian Branch**

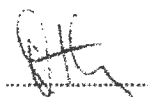
Designated Officer's Certificate
s.268 of Fair Work (Registered Organisations) Act 2009

I, Dennis Sutton, being the Secretary/Treasurer of the Australian Road Transport Industrial Organisation Western Australian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Road Transport Industrial Organisation Western Australian Branch for the period ended 30 June 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 19 December 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 19 December 2016 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



President: Derek Nathan



Treasurer: Dennis Sutton

Date: 19 December 2016

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Operating Report
For the year ended 30 June 2016**

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

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

The principal activities of the Association during the financial year were to promote, protect and advance the interests of its members through the maintenance of AIRC Awards, the development of EBA's and representation of members in various state and federal industrial courts and commissions.

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

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

Significant changes in financial affairs

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

Right of members to resign

Any member has the right to resign from Association in accordance with the provisions of Rule 11 of the organisation's rules.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

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

Ian King is a Director of TWU Superannuation Nominees Pty Ltd, a trustee company that is the trustee of the TWU Superannuation Fund.

Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was one hundred and sixteen.

Number of employees

There were no employees.

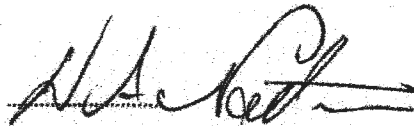
**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Operating Report
For the year ended 30 June 2016**

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

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

President: Derek Nathan (1 July 2015 to 30 June 2016)
Vice President: Alan Herbert (1 July 2015 to 30 June 2016)
Secretary/Treasurer: Ian King - Resigned (1 July 2015 to 24 June 2016)
Dennis Sutton - Appointed (24 June 2016 to 30 June 2016)
Other Committee Members: Peter Beach (1 July 2015 to 30 June 2016)
Raymond U'Chong (1 July 2015 to 30 June 2016)
Kyle Sutherland (1 July 2015 to 30 June 2016)



President: Derek Nathan



Treasurer: Dennis Sutton

Date: 19 December 2016

**Australian Road Transport Industrial Organisation
Western Australian Branch**

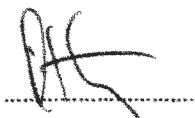
Committee of Management Statement

On 15 December 2016 the Committee of Management of the Australian Road Transport Industrial Organisation Western Australian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- 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; and
- e) during the financial year to which the GPRF 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 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; and
 - (v) no request by a member of the reporting unit or General Manager was made under section 272 of the RO Act; and
 - (vi) there have been no orders for inspection of financial records made by the Commission under s.273 of the RO Act.
- 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 Committee of Management.



Dennis Sutton

Secretary/Treasurer

Date: 11 January 2017

Perth, Western Australia

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Statement of Comprehensive Income
For the Year ended 30 June 2016**

	Note	2016 \$	2015 \$
Revenue			
Membership subscriptions		-	-
Other revenue	3	<u>19,210</u>	-
Total revenue		<u><u>19,210</u></u>	<u><u>-</u></u>
Expenses			
Audit fees	10	6,733	5,592
Branch fees	4	11,000	11,000
Other expenses	4	<u>227</u>	<u>244</u>
Total expenses		<u><u>17,960</u></u>	<u><u>16,836</u></u>
Profit/(Loss) for the year		<u><u>1,250</u></u>	<u><u>(16,836)</u></u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u><u>1,250</u></u>	<u><u>(16,836)</u></u>

The accompanying notes form part of these financial statements.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Statement of Financial Position
As at 30 June 2016**

	Note	2016 \$	2015 \$
Current Assets			
Trade and other receivables	5	-	-
Total Current Assets		-	-
Total Assets		-	-
Current Liabilities			
Trade and other payables	6	11,683	8,342
Financial liabilities	8	-	4,591
Total Current Liabilities		11,683	12,933
Total Liabilities		11,683	12,933
Net Assets		<u>(11,683)</u>	<u>(12,933)</u>
Equity			
Reserves	9	33,341	33,341
Accumulated losses		(45,024)	(46,274)
Total Equity		<u>(11,683)</u>	<u>(12,933)</u>

The accompanying notes form part of these financial statements.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Statement of Changes in Equity
For the Year ended 30 June 2016**

	Note	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2014		33,341	(29,438)	3,903
Loss for the year		-	(16,836)	(16,836)
Closing balance as at 30 June 2015		33,341	(46,274)	(12,933)
Profit for the year		-	1,250	1,250
Closing balance as at 30 June 2016		33,341	(45,024)	(11,683)

The accompanying notes form part of these financial statements.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Statement of Cash Flows
For the Year ended 30 June 2016**

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from customers and members	11b	19,210	6,653
Payments to suppliers and employees	11c	<u>(14,619)</u>	<u>(11,244)</u>
Net cash from/(used by) operating activities	11a	<u>4,591</u>	<u>(4,591)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings	11b	-	11,244
Repayment of borrowings	11c	<u>(4,591)</u>	<u>(6,653)</u>
Net cash from/(used by) financing activities		<u>(4,591)</u>	<u>4,591</u>
Net cash increase/(decrease) in cash held		<u>-</u>	<u>-</u>
Cash and cash equivalents as at 1 July 2015		<u>-</u>	<u>-</u>
Cash and cash equivalents as at 30 June 2016		<u>-</u>	<u>-</u>

**Australian Road Transport Industrial Organisation
Western Australian Branch**

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**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 1: Summary of significant accounting policies

(a) Basis of preparation of the financial statements

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.

(b) Comparative amounts

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

(c) 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 except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

The adoption of this amendment did not have an impact on the Australian Road Transport Industrial Organisation Western Australian Branch.

- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards

The adoption of this amendment did not have an impact on the Australian Road Transport Industrial Organisation Western Australian Branch.

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

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

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.

(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) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

(g) Revenue and Other Income

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the organisation retains no managerial involvement or effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and it is probable that the economic benefits associated with the transaction will flow to the organisation.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Interest revenue is recognised on an accrual basis using the effective interest method.

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

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 2015 and 2016 financial years;

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

All revenue is stated inclusive of goods and services tax (GST).

(h) Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid. Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

(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 2015 and 2016 financial years;

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

(j) Liabilities

In accordance with Regulation 21 of the Reporting Guidelines the organisation declares that there were no liabilities at 30 June 2016 for the following:

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

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

(k) **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

(l) Related Reporting Units

The organisation is a State based organisation that is a member of a National Body.

The organisation provides financial support to the National body through the payment of annual subscriptions.

As at 30 June 2016 the organisation had no amounts payable to another reporting organisation.

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

As at 30 June 2016 the organisation had no amounts receivable from another reporting organisation.

(m) 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.

(n) Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(o) 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.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

(p) **Accounting Estimates and Judgments**

Estimates and judgements 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.

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.

Critical Judgements in applying the Branch's Accounting Principles

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

(q) **Going Concern**

For the year ended 30 June 2016, the Australian Road Transport Industrial Organisation Western Australian Branch had a net cash inflow from operating activities of \$4,591 and recorded a net profit for the year of \$1,250 (2015: \$16,836 loss). In addition, the Organisation had net liabilities of \$11,683 as at 30 June 2016. The Organisation received income of \$19,210 during the year in the form of recoveries of costs paid by the Western Australian Road Transport Association Incorporated ("WARTA"), a related party of the reporting unit, incurred by the Australian Road Transport Industrial Organisation Western Australian Branch pursuant to an arrangement between the two organisations.

Creditors of \$7,270 as at 30 June 2016 have been paid prior to the date of execution of the 30 June 2016 financial report of the Australian Road Transport Industrial Organisation Western Australian Branch. The Committee of Management considers that the Organisation is a going concern and recognises that additional funding of approximately \$20,000 is required to ensure that it can continue to fund its operations and repay all existing liabilities during the twelve month period from the date of approval of the financial report.

Such additional funding may be derived from one or a combination of the following:

- further related party funding from the WA Road Transport Association; and/or
- revenue from membership subscriptions payable annually to WARTA
- Annual membership to WARTA will allow members access to an IR specialist who may provide the assistance required by the member at an agreed rate on a fee for service basis.

Accordingly, the Committee believes that the Organisation will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Australian Road Transport Industrial Organisation Western Australian Branch is not reliant on any financial support from another reporting unit in order to continue on a going concern basis.

Australian Road Transport Industrial Organisation Western Australian Branch has not agreed to provide financial support to another reporting unit to ensure they continue on a going concern basis.

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 2: Events after the Reporting Period

There were no events that occurred after 30 June 2016, 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 Western Australian Branch.

	2016	2015
	\$	\$

Note 3: Revenue

Revenue

Membership subscriptions	-	-
	-	-

Other revenue

Recoveries (ii)	19,210	-
	19,210	-

Total revenue	19,210	-
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(i) The Australian Road Transport Industrial Organisation Western Australian Branch has not received during the 2016 financial year any of the following revenue items:

1. entrance fees or periodic subscriptions
2. capitation fees
3. compulsory levies
4. donations or grants
5. receipt of any other financial support from another reporting unit of the organisation

(ii) Recoveries are costs paid by the Western Australian Road Transport Association Incorporated (a related party of the reporting unit) incurred by the Australian Road Transport Industrial Organisation Western Australian Branch pursuant to an arrangement between the two organisations.

Note 4: Expenses

Expenses

Audit fees	6,733	5,592
Branch fees – ARTIO (Federal)	11,000	11,000
Sundry fees – ARTIO (Federal)	227	244
	17,960	16,836

The Australian Road Transport Industrial Organisation Western Australian Branch has not paid during the 2016 financial year any of the following expense items:

1. expenses incurred as consideration for employers making payroll deductions of membership subscriptions
2. capitation fees
3. fees or periodic subscriptions paid in respect of an affiliation to any political party, federation, congress, council or group of organisations, or international body having an interest in industrial matters
4. compulsory levies
5. donations or grants

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 4: Expenses (continued)

6. employee expenses related to holders of office of the reporting unit in any of the following categories: (i) wages and salaries; (ii) superannuation; (iii) leave and other entitlements; (iv) separation and redundancies; or (v) other employee expenses
7. employee expenses related to employees (other than holders of office) of the reporting unit in any of the following categories: (i) wages and salaries; (ii) superannuation; (iii) leave and other entitlements; (iv) separation and redundancies; or (v) other employee expenses
8. fees or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings
9. expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible
10. legal costs and other expenses related to: (i) litigation ; or (ii) other legal matters
11. penalties imposed on the organisation under the RO Act or RO Regulations with respect to conduct of the reporting unit.

	2016	2015
	\$	\$

Note 5: Trade and Other Receivables

Current

Sundry debtors

	-	-
	-	-

Total Trade and Other Receivables

	-	-
	-	-

1. no receivable or other right to receive cash is in respect to another reporting unit of the organisation

Note 6: Trade and Other Payables

Current

Other creditors

	7,270	3,392
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Accrued expenses

	4,413	4,950
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Total Trade and Other Payables

	11,683	8,342
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1. no payable or other financial liability is in respect to another reporting unit of the organisation
2. no payable is in respect of payables to employers as consideration for the employers making payroll deductions of membership subscriptions
3. no payable is in respect of legal costs and other expenses related to: (i) litigation; or (ii) other legal matters

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 7: Provisions

1. no employee provisions were made in respect of holders of office of the reporting unit in any of the following categories: (i) annual leave; (ii) long service leave; (iii) separation and redundancies; or (iv) other employee provisions
2. no employee provisions were made in respect of employees (other than holders of office) of the reporting unit in any of the following categories: (i) annual leave; (ii) long service leave; (iii) separation and redundancies; or (iv) other employee provisions

	2016	2015
	\$	\$

Note 8: Financial Liabilities

Current

Western Australian Road Transport Association Inc	-	4,591
Total Financial Liabilities	-	4,591

1. prior year financial liabilities of \$4,591 owed to the Western Australian Road Transport Association Incorporated (a related party of the reporting unit) had been derived as a result of a transaction with another reporting unit in order to make payment of annual branch fees to the federal body of the Australian Road Transport Industrial Organisation.

Note 9: Equity

General Reserve

Balance as at start of year	33,341	33,341
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	33,341	33,341
Total Reserves	33,341	33,341

1. no funds or accounts were operated during the financial year in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit.
2. no funds or accounts were operated during the financial year, the operation of which is required by the rules of the organisation including the rules of a branch of the organisation.
3. no transfers were made to or withdrawals from funds, accounts or controlled entities during the financial year.

Note 10: Remuneration of Auditors

Financial statement audit services	6,733	5,592
	6,733	5,592

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

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

	2016	2015
	\$	\$
Note 11: Cash Flow		
(a) Cash flow reconciliation		
Reconciliation of profit/(deficit) to net cash from operating activities		
Profit/(Deficit) for the year	<u>1,250</u>	<u>(16,836)</u>
Adjustments for non-cash items		
Depreciation	-	-
Movement in net market values	-	-
Changes in assets/liabilities		
Decrease in trade and other receivables	-	6,653
Increase in trade and other payables	3,341	5,592
Net cash from/(used by) operating activities	<u>4,591</u>	<u>(4,591)</u>

(b) Cash inflows

(i) Receipts from customers and members

Western Australian Road Transport Association Inc	19,210	6,653
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During the financial year there were no other cash inflows from other reporting units or controlled entities (2015: \$Nil).

(ii) Proceeds from borrowings

Western Australian Road Transport Association Inc	-	11,244
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There were no other cash inflows from borrowings from other reporting units or controlled entities during the financial year (2015: \$Nil).

(c) Cash outflows

(i) Payments to suppliers and employees include:

Australian Road Transport Industry Organisation Fees	11,227	11,244
Audit Fees	<u>3,392</u>	-
Total payments to suppliers and employees	14,619	<u>11,244</u>

There were no other cash outflows to other reporting units or controlled entities during the financial year (2015: \$Nil).

(ii) Repayment of borrowings

Western Australian Road Transport Association Inc	4,591	6,653
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There were no other cash outflows in the form of repayments of borrowings to other reporting units or controlled entities during the financial year (2015: \$Nil).

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

	2016	2015
	\$	\$
Note 12: Related Party Disclosures		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:		
Revenue received from WA Road Transport Association includes the following:		
Recovery of operating costs	19,210	-
	<u>19,210</u>	<u>-</u>
Expenses paid to WA Road Transport Association includes the following:		
	-	-
	<u>-</u>	<u>-</u>
Amounts owed by WA Road Transport Association includes the following:		
	-	-
	<u>-</u>	<u>-</u>
Amounts owed to WA Road Transport Association includes the following:		
Annual contribution to Federal ARTIO budget	-	4,591
	<u>-</u>	<u>4,591</u>

Terms and conditions of transactions with related parties

The Organisation received income of \$19,210 during the year in the form of recoveries of costs paid by the Western Australian Road Transport Association Incorporated ("WARTA"), a related party of the reporting unit, incurred by the Australian Road Transport Industrial Organisation Western Australian Branch pursuant to an arrangement between the two organisations. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the Australian Road Transport Industrial Organisation Western Australian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 13: Other acquisitions of assets and liabilities

No assets or liabilities have been acquired during the financial year as a result of: a) an amalgamation under Part 2 of Chapter 3 of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or b) a restructure of the branches of the organisation; or c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or 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).

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 14: Financial Risk Management

The organisation's financial instruments consist of accounts receivable, accounts payable and a loan from a related party.

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

	2016 \$	2015 \$
Financial Assets		
Trade and Other Receivables	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Financial Liabilities		
Trade and Other Payables	11,683	8,342
Financial Liabilities	-	4,591
	<u>11,683</u>	<u>12,933</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.

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.

Note 15: Section 272 Fair Work (Registered Organisations) Act 2009

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 subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or 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).

**Australian Road Transport Industrial Organisation
Western Australian Branch**

**Notes to the Financial Statements
For the Year ended 30 June 2016**

Note 16: Subsequent Events

There are no subsequent events that have occurred or are likely to occur that require disclosure.

Note 17: Contingent Liabilities, Assets and Commitments

There were no contingent liabilities, assets or commitments at 30 June 2016.

Note 18: Association Details

The principal place of business is:

Australian Road Transport Industrial Organisation Western Australian Branch
37-41 Cohn Street, Carlisle WA



8 December 2016

Mr Campbell Dumesny
Australian Road Transport Industrial Organization-Western Australian Branch
Sent via email: cdumesny@warta.com.au

Dear Mr Dumesny,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Australian Road Transport Industrial Organization-Western Australian Branch (the reporting unit) ended on the 30 June 2016.

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

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

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

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

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

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

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

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

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Ian King
Secretary/Treasurer
Australian Road Transport Industrial Organization-Western Australian Branch
By email: iking@warta.com.au

Dear Mr King,

**Re: Lodgement of Financial Report - [FR2016/266]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Road Transport Industrial Organization-Western Australian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

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

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and 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 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

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

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

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

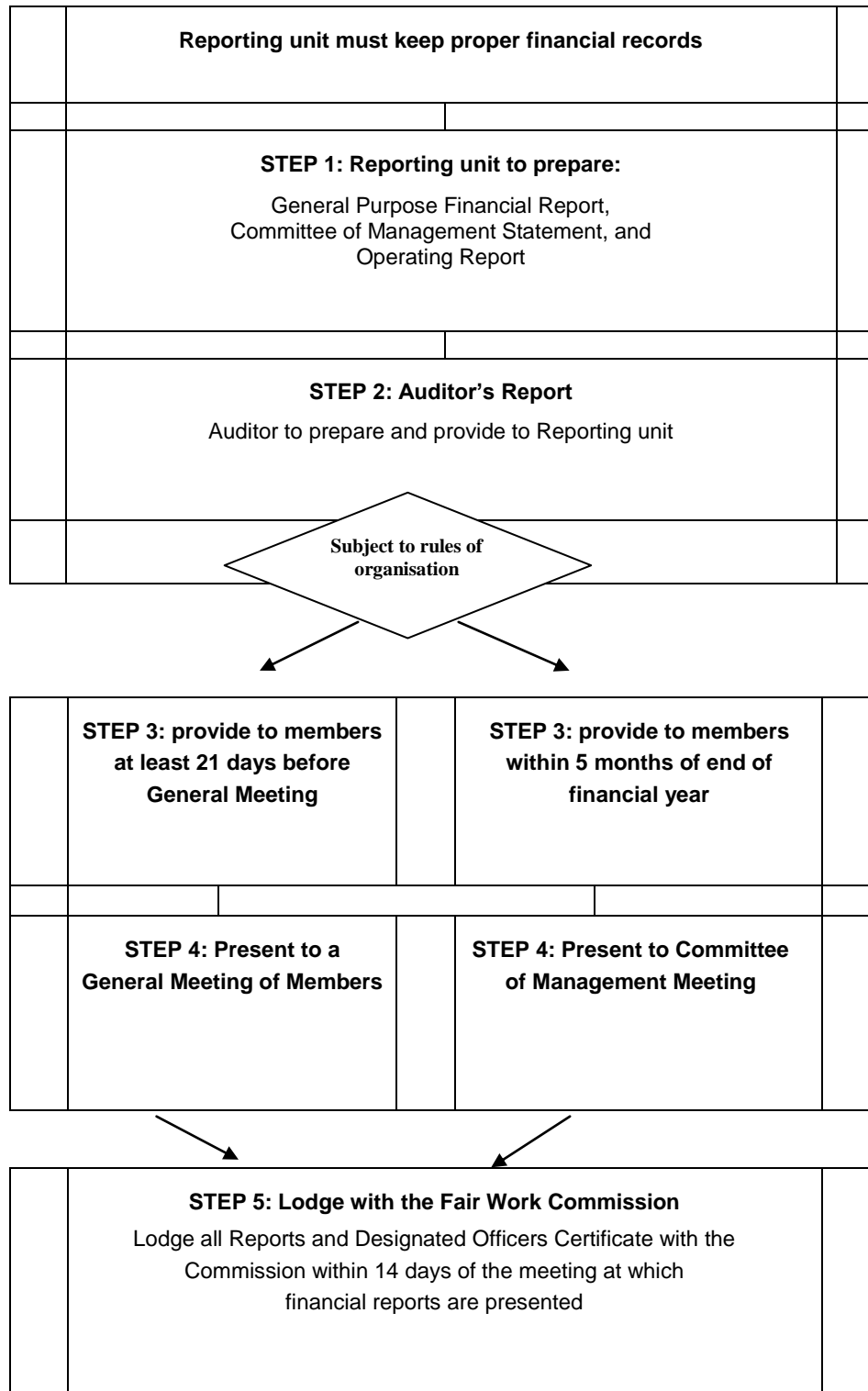


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



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 General Manager'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 exceed \$1000. The following information must be supplied to the Commission 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 Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission 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 16(e) of the [General Manager'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 [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
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	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will 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 2015 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 [Commission's 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 Regulatory Compliance Branch on orgs@fwc.gov.au