



21 October 2016

Ms Teri O'Toole  
Divisional Secretary  
Flight Attendants' Association of Australia, International Division  
20 Ewan Street  
Mascot NSW 2020

By e-mail: [toni@faaa.net](mailto:toni@faaa.net)

Dear Ms O'Toole

**Flight Attendants' Association of Australia, International Division  
Financial Report for the year ended 30 June 2016 - FR2016/168**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Flight Attendants' Association of Australia, International Division (FAAA). The financial report was lodged with the Fair Work Commission (FWC) on 20 October 2016.

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

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Operating Report**

Trustee of superannuation entity

Subsection 254(2)(d) of the RO Act requires details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

The FAAA Operating Report states:

The Division has no information to disclose relating to officers or employee membership of other boards.

If no officer or member of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

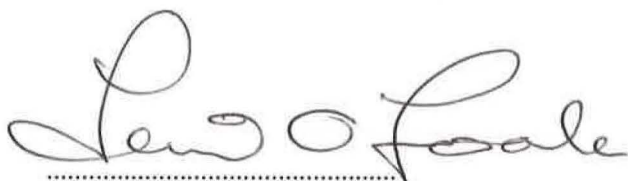
A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

**DESIGNATED OFFICER'S CERTIFICATE**

I, Teri O'Toole, being the secretary of the Flight Attendants' Association of Australia International Division certify:

1. that the documents lodged herewith are copies of the full report for the Flight Attendants' Association of Australia International Division for the year ended 30 June 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
2. that the full report was provided to members on *18<sup>th</sup> October* 2016; and
3. that the full report was presented to a meeting of the Committee of Management of the Flight Attendants Association of Australia International Division meeting on *19<sup>th</sup> October* 2016 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



TERI O'TOOLE  
Secretary

Dated this *19<sup>th</sup>* day of *October*, 2016

**FLIGHT ATTENDANTS ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION  
ABN: 57 138 257 906**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2016**



**TABLE OF CONTENTS**

	<b>Page</b>
Operating Report	1
Financial Report	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Accounts	8 to 21
Committee of Management Statement	22
Independent Audit Report	23 to 24

## **OPERATING REPORT**

Your Divisional Executive present their report on the Flight Attendants' Association of Australia - International Division for the financial year ended 30 June 2016.

### **Members of the committee**

The names of the members of the Divisional Executive in office during the financial year unless indicated otherwise were:

- Michael Mijatov (Secretary) (resigned 30 June 2016)
- Teri O'Toole (Secretary) (appointed 30 June 2016)
- Scott Underwood (Assistant Secretary) (resigned 27 October 2015)
- Leo Gasparre (Assistant Secretary) (appointed 28 October 2015 resigned 30 June 2016)
- Lou Nesci (Assistant Secretary) (appointed 30 June 2016)
- Lee Lam (President) (resigned 30 June 2016)
- David Horsfall (President) (appointed 30 June 2016)
- Stephen Brownlie (Vice President) (resigned 30 June 2016)
- Zara Campbell (resigned 27 October 2015)
- Sonia Fabbro (Vice President) (appointed 27 October 2015, resigned 30 June 2016)
- Bruce Roberts (Vice President) (appointed 30 June 2016)
- Miranda Diack (Vice President) (appointed 30 June 2016)

The names of the members of the Divisional Council in office during the financial year unless indicated otherwise were:

- Michael Mijatov (Secretary) (resigned 30 June 2016)
- Teri O'Toole (Secretary) (appointed 30 June 2016)
- Leo Gasparre (Assistant Secretary) (resigned 30 June 2016)
- Lou Nesci (Assistant Secretary) (appointed 30 June 2016)
- Lee Lam (President) (resigned 30 June 2016)
- David Horsfall (President) (appointed 30 June 2016)
- Stephen Brownlie (Vice President) (resigned 30 June 2016)
- Sonia Fabbro (Vice President) (resigned 30 June 2016)
- Zara Campbell (resigned 27 October 2015)
- Bruce Roberts (Vice President) (appointed 30 June 2016)
- Miranda Diack (Vice President) (appointed 30 June 2016)
- Peter Papagiannopoulos (resigned 30 June 2016)
- Sam Mead
- Gustavo Cladera (appointed 24 February 2016, resigned 30 June 2016)
- Justin Coghlan (appointed 27 October 2015, resigned 30 June 2016)
- Carolyn Cottee (appointed 1 December 2015, resigned 30 June 2016)
- Jamie Horswell (appointed 7 December 2015, resigned 30 June 2016)
- Matthew Allsop (appointed 30 June 2016)
- Greg Broome (appointed 30 June 2016)
- Rebecca Cosh (appointed 30 June 2016)
- Eric Hong (appointed 30 June 2016)
- Brett Rogers (appointed 30 June 2016)
- Smaro Skordas (appointed 30 June 2016)
- Murray Smith (resigned 22 February 2016)
- Clair Smith (appointed 24 February 2016)
- Leo Close (resigned 8 February 2016)
- Chloe Chur (resigned 24 August 2015)

The Division has no information to disclose relating to officers or employee membership of other boards.

### Significant changes in the state of financial affairs

There were no significant changes in the state of financial affairs of the entity.

### Principal activities

The Principal activities of the Division during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Division and particularly the object of protecting and improving the interests of the members.

The Division's principal activities resulted in maintaining and improving the wages and conditions of Flight Attendants. Enterprise Agreement negotiations are continuing with Virgin Australia International. Members were assisted at disciplinary hearings together with the normal large volume of members' queries.

There were no significant changes in the nature of the Division's principal activities during the reporting period.

### Union Details

The number of employees of the Division on a full time equivalent basis at 30 June 2016 was 4.8. The number of persons who were, at 30 June 2016, recorded on the Register of Members of the Division was 2,488.

### Rights of members to resign

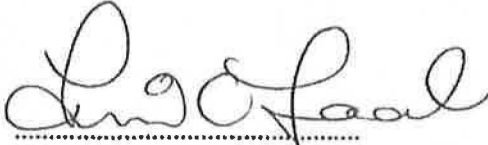
Members may resign from the Division in accordance with Rules 36 and 37, which read as follows:

#### "36 - RESIGNATION

- (a) A member may resign from membership of the Association by written notice addressed and delivered to the Divisional Secretary.
- (b) A notice of resignation from membership of the Association takes effect:
  - (1) Where a member ceases to be eligible to become a member of the Association:
    - (i) on the day on which the notice is received by the Divisional Secretary;
    - or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the latter; or
  - (2) in any other case:
    - (i) at the end of 2 weeks after the notice is received by the Divisional Secretary; or
    - (ii) on the day specified in the notice;whichever is the latter.
- (c) Any membership fees payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (d) A notice delivered to the person mentioned in Sub-Rule (a) shall be taken to have been received by the Association when it was delivered.
- (e) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with Sub-Rule (a).
- (f) A resignation from membership of the Association is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted".

37 - LIABILITY OF FORMER MEMBERS

- (a) Any member who ceases to be a member shall remain liable to the Association for all money owing by that member to the Association at the time of ceasing to be a member unless Divisional Executive releases the member in whole or part from such obligation.
- (b) All membership fees, levies or other monies owing by any member of the Association under the Rules may at any time be sued for and recovered in the name of the Association by the Divisional Secretary.



.....  
TERI O'TOOLE  
DIVISIONAL SECRETARY

Dated this 12<sup>th</sup> day of October 2016

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Advertising		4,100	4,400
Interest received		148,589	186,508
Membership subscriptions		1,310,531	1,390,545
Rent Income		21,667	-
Compulsory levies raised		-	-
Capitation fees		-	-
<b>Total revenue</b>		<b>1,484,887</b>	<b>1,581,453</b>
<b>Other income</b>			
Donations and grants		-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>1,484,887</b>	<b>1,581,453</b>
<b>EXPENSES</b>			
Employee expenses	3	740,174	709,562
Capitation fees		-	-
Affiliation fees	4	35,583	36,223
Administration expenses	5	314,552	273,230
Grants or donations	6	5,000	5,000
Depreciation and amortisation	7	33,655	35,654
Legal costs	8	67,987	87,961
Audit fees	9	10,400	14,025
<b>TOTAL EXPENSES</b>		<b>1,207,351</b>	<b>1,161,655</b>
<b>SURPLUS (DEFICIENCY) FOR THE YEAR</b>		<b>277,536</b>	<b>419,798</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>277,536</b>	<b>419,798</b>
<b>Total comprehensive income attributable to members of the union</b>		<b>277,536</b>	<b>419,798</b>

The above statement should be read in conjunction with the accompanying notes

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	5,730,593	5,411,842
Receivables from other reporting unit(s)		-	-
<b>Total Current Assets</b>		<b>5,730,593</b>	<b>5,411,842</b>
<b>Non-Current Assets</b>			
Land and Building at Valuation		1,788,137	938,442
Building improvements, plant and equipment	11	696,129	723,023
<b>Total Non-Current Assets</b>		<b>2,484,266</b>	<b>1,661,465</b>
<b>Total Assets</b>		<b>8,214,859</b>	<b>7,073,307</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		118,574	114,330
Accounts payable in respect of legal costs and other expenses related to litigation or other legal matters		-	-
Payables to other reporting unit(s)		-	-
Payables to employers as consideration for making payroll deduction for Members subs		-	-
Provisions	12	75,447	65,370
<b>Total Current Liabilities</b>		<b>194,021</b>	<b>179,700</b>
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>194,021</b>	<b>179,700</b>
<b>NET ASSETS</b>		<b>8,020,838</b>	<b>6,893,607</b>
<b>MEMBERS' FUND</b>			
Retained Earnings	17	7,030,702	6,753,166
Reserves	18	990,136	140,441
<b>Total Members' Funds</b>		<b>8,020,838</b>	<b>6,893,607</b>

The above statement should be read in conjunction with the accompanying notes

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Retained Earnings \$	General Reserve \$	Revaluation Surplus \$	Total \$
<b>Balance at 1 July 2014</b>	6,333,368	-	140,441	6,473,809
Surplus Attributable to the entity	419,798	-	-	419,798
Total Other Comprehensive Income	-	-	-	-
<b>Balance at 30 June 2015</b>	6,753,166	-	140,441	6,893,607
Surplus (Deficiency) Attributable to the entity	277,536	-	-	277,536
Total Other Comprehensive Income	-	-	849,695	849,695
<b>Balance at 30 June 2016</b>	<b>7,030,702</b>	-	<b>990,136</b>	<b>8,020,838</b>

The above statement should be read in conjunction with the accompanying notes

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
<b>Cash Received</b>			
Membership fees		1,458,919	1,519,352
Interest received		148,589	186,508
Sundry Income		4,100	4,400
<b>Cash Used</b>		<u>1,611,608</u>	<u>1,710,260</u>
Payments to suppliers and employees		(1,285,416)	(1,255,761)
<b>Net cash from (used by) operating activities</b>	13	<u>326,192</u>	<u>454,499</u>
<b>Cash flows from investing activities</b>			
<b>Cash used</b>			
Payments for buildings, plant and equipment		(7,441)	(11,386)
<b>Net cash from (used by) investing activities</b>		<u>(7,441)</u>	<u>(11,385)</u>
<b>Net increase/(decrease) in cash held</b>		318,751	443,113
<b>Add: Cash and cash equivalents at beginning of financial year</b>		5,411,842	4,968,729
<b>Cash and cash equivalents at end of financial year</b>	10	<u>5,730,593</u>	<u>5,411,842</u>

The above statement should be read in conjunction with the accompanying notes



NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Flight Attendants' Association of Australia International Division is a not-for-profit entity.

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

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

**(a) Comparative amounts**

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

**(b) Significant accounting judgements and estimates**

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The directors have determined that Land and Buildings be shown as a single class of non-current assets and carried at valuation. The directors have also determined that the carrying value of Land and Buildings does not differ materially from its fair value at reporting date. Building Improvements are shown as a separate class of non-current assets and are carried at cost less accumulated depreciation.

**(c) Plant and Equipment**

Plant and equipment acquired on restructuring at 31 March 2000 has been accounted for at an independent expert valuation. Additions since then, have been brought to account at cost. Depreciation is calculated on the straight-line basis in order to write the assets off over their estimated useful lives to the Association.

Depreciation rates applying to each class of depreciable asset are

Buildings	2.5%
Computers	25.0%
Furniture & Fittings	10.0%
Office Equipment	10.0%

**(d) Employee Entitlements**

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. The Long Service Leave entitlements have been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting future cash flows. Contributions are made by the Division to employee superannuation funds and the expense is charged when incurred. Further, there is no Recovery of wages activity for this financial year ending 30 June 2016.

**(e) Cash and cash equivalents**

Cash is recognised at its nominal value. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**(f) Land and Buildings**

It is not practicable to ascertain the separate values of the land and the building. Land and Buildings are thus shown as a separate class of non-current assets.

Land and Buildings were independently valued at \$2,450,000 by Egan National Valuers (NSW), Suite 604, 5-13 Rosebery Avenue, Rosebery, NSW on 24 June 2016. A revaluation is made whenever the carrying amount differs materially from fair value at reporting date. The valuation was based on the following assumptions:

- the property is free of encumbrances, restrictions or other impediments of an onerous nature;
- the property has been valued on the basis of capitalisation of estimated net rental income;
- the values assume that the Association would enter into lease arrangements for the areas it occupies in the building;
- increased rental value has been factored in the value of the property for lease renewals; and
- outgoings for the property have been estimated and on the assumption it is owned by an independent investor.

The carrying amount of Land and Buildings that would have been recognised had the assets been carried under the cost model is \$798,000 (2014: \$798,000).

**(g) Fair Value Measurement**

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset, or, absent such a principal market, in the most advantageous market for the asset. The principal or most advantageous market must be accessible by the Association. The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset, assuming that the market participants act in their economic best interest.

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

The association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

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

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

The fair value of Land and Buildings was determined using Level 2 inputs, using direct price comparisons and capitalisation of imputed income. There have been no transfers between categories of fair value measurement.

**(h) Income Tax Expense**

In accordance with Section 50 - 15 of the Income Tax Assessment Act, the Division is exempt from income tax.

**(i) Revenue**

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

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

Donation income is recognised when received

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

**(j) Financial Support – Other Reporting Units**

There has been no financial support given to or received from other reporting units during the financial year.

**(k) Amalgamations and Restructures**

No assets or liabilities have been acquired during the financial year due to an amalgamation, restructure or a determination by or revocation by the General Manager of the FWC.

**(l) Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses. There have been no business combinations affecting the Division during the financial year.

**(m) New Accounting Standards and Interpretations**

**i. Changes in accounting standards and interpretations**

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of previous years. The adoption of these standards or interpretations has had no impact on the financial statements or performance of the Association

**ii. Accounting Standards Issued but not effective**

New standards, amendments to standards or interpretations have recently been issued or amended but are not yet effective and have not been early adopted by the Association for the annual reporting period ended 30 June 2016. The Association expects to adopt these standards where applicable for the annual reporting periods beginning on or after the application dates. The Association does not expect there to be any significant measurement adjustments upon application of the standards below.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

NOTE 2: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of Section 272, which read 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).

	2016	2015
	\$	\$
<b>NOTE 3: EMPLOYEE EXPENSES</b>		
Holders of office		
Salaries	87,029	86,252
Superannuation	7,228	7,409
Union Leave Days Expenses	135,938	100,677
Long Service Leave	-	-
Annual Leave	-	-
Separation & Redundancies	-	-
Conference & Meeting Fees	-	-
	<u>230,195</u>	<u>194,338</u>
Non Holders of Office		
Salaries	454,855	459,067
Superannuation	42,760	43,087
Long Service Leave	12,283	9,656
Annual Leave	(2,206)	1,691
Staff Training & Welfare	2,287	1,723
Separation & Redundancies	-	-
Conference & Meeting Fees	-	-
	<u>509,979</u>	<u>515,224</u>
<b>Total Employee expenses</b>	<u><b>740,174</b></u>	<u><b>709,562</b></u>

NOTE 4: AFFILIATION FEES

ACTU	11,634	10,033
ACTU Growth	4,946	5,882
Unions NSW	9,449	10,133
ITWF	8,317	8,875
Union Shopper	1,237	1,300
<b>Total Affiliation fees</b>	<u><b>35,583</b></u>	<u><b>36,223</b></u>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016 \$	2015 \$
<b>NOTE 5: ADMINISTRATION EXPENSES</b>		
Bank charges and merchant fees	20,294	18,143
Compulsory levies	-	-
Consideration to employers for payroll deductions	-	-
Cleaning and recycling	11,619	11,347
Courier	61	99
Electricity	11,735	12,121
Fees/Allowances – meetings and conferences	-	-
General expenses	45,209	22,700
Information technology	110,594	86,813
Insurance	7,971	6,876
Loss on disposal of fixed assets	113	589
Meeting and conference expenses	12,378	21,890
Penalties under the RO Act	-	-
Postage printing & stationery	15,705	18,707
Property expenses	21,693	18,336
Subscriptions	10,752	9,591
Telephone	23,331	21,661
Travel & accommodation	18,232	19,082
Workcover expenses	4,864	5,275
<b>Total Administration expenses</b>	<b><u>314,552</u></b>	<b><u>273,230</u></b>

**NOTE 6: GRANTS OR DONATIONS**

<b>Grants</b>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Donations</b>		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	5,000	5,000
<b>Total grants or donations</b>	<b><u>5,000</u></b>	<b><u>5,000</u></b>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

NOTE 7: DEPRECIATION

	2016	2015
	\$	\$
Building Improvements	22,333	22,333
Computers	5,164	5,067
Equipment	5,079	5,856
Furniture and Fittings	1,079	2,398
<b>Total Depreciation</b>	<u>33,655</u>	<u>35,654</u>

NOTE 8: LEGAL COSTS

Legal expenses – litigation	32,927	38,909
Legal expenses – other	35,060	49,052
<b>Total Legal costs</b>	<u>67,987</u>	<u>87,961</u>

NOTE 9: AUDIT FEES

Audit Services	10,400	14,025
Other Services	-	-
<b>Total Audit fees</b>	<u>10,400</u>	<u>14,025</u>

NOTE 10: CASH AND CASH EQUIVALENTS

Cash on hand	2,000	1,500
Cash at bank	2,647	5,984
Cash at QSCU	2,700	2,699
Business Online Saver	268,225	93,025
QSCU Term Deposit	5,455,021	5,308,634
<b>Total Cash and cash equivalents</b>	<u>5,730,593</u>	<u>5,411,842</u>

NOTE 11: NON CURRENT ASSETS - BUILDING IMPROVEMENTS, PLANT AND  
EQUIPMENT

<b>Building Improvements</b>		
At Cost	893,301	893,301
Less Accumulated Depreciation	<u>(231,438)</u>	<u>(209,105)</u>
	<u>661,863</u>	<u>684,196</u>
<b>Computers</b>		
At Cost	28,412	54,274
Less Accumulated Depreciation	<u>(19,513)</u>	<u>(47,336)</u>
	<u>8,899</u>	<u>6,938</u>

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
INTERNATIONAL DIVISION

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016 \$	2015 \$
<b>Furniture &amp; Fittings</b>		
At Cost	17,266	18,160
Less Accumulated Depreciation	<u>(12,178)</u>	<u>(11,629)</u>
	<u>5,088</u>	<u>6,531</u>
<b>Office Equipment</b>		
At Cost	53,351	57,436
Less Accumulated Depreciation	<u>(33,072)</u>	<u>(32,078)</u>
	<u>20,279</u>	<u>25,358</u>
<b>Total Building improvements, plant and equipment</b>	<u><b>696,129</b></u>	<u><b>723,023</b></u>

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security

(b) Movements in carrying amounts

Movement in the carrying amounts for each class of building improvements, plant and equipment between the beginning and the end of the year:

	Building Improvements	Computers	Furniture & Fittings	Office Equipment
<b>2015</b>				
As at 1 July 2014	706,528	6,350	5,882	29,119
Additions	-	5,655	3,636	2,094
Disposals@ Cost	-	(4,781)	(13,002)	(723)
Acc. Depreciation W/Back	-	4,781	12,413	723
Depreciation	<u>(22,332)</u>	<u>(5,067)</u>	<u>(2,398)</u>	<u>(5,856)</u>
As at 30 June 2015	<u>684,196</u>	<u>6,938</u>	<u>6,531</u>	<u>25,358</u>
<b>2016</b>	\$	\$	\$	\$
As at 1 July 2015	684,196	6,938	6,531	25,358
Additions	-	7,441	-	-
Disposals @ Cost	-	(33,303)	(894)	(4,086)
Acc. Depreciation W/Back	-	32,987	530	4,086
Depreciation	<u>(22,333)</u>	<u>(5,164)</u>	<u>(1,079)</u>	<u>(5,079)</u>
As at 30 June 2016	<u>661,863</u>	<u>8,899</u>	<u>5,088</u>	<u>20,279</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016	2015
	\$	\$
<b>NOTE 12: PROVISIONS</b>		
Annual leave - employees	16,806	19,012
Annual leave – Office Holders	-	-
Long service leave – employees	58,641	46,358
Long service leave – Office Holders	-	-
Separation & Redundancies – Employees	-	-
Separation & Redundancies – Office Holders	-	-
<b>Total Provisions</b>	<u>75,447</u>	<u>65,370</u>

Leave and other entitlements for Office Holders are provided by the respective airline employer of the Office Holder. Access to leave and other entitlements are from the respective airline employer of the Office Holder and not the FAAA.

**NOTE 13: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS (DEFICIENCY)**

Surplus (Deficiency)	277,536	419,798
<b>Non Cash Flows in Operating Surplus</b>		
Depreciation	33,655	35,654
Provision for Employee Entitlements	10,077	11,347
Loss on disposal of fixed assets	113	589
<b>Changes in Assets and Liabilities</b>		
Increase (Decrease) in Payables	4,244	(12,889)
(Increase) Decrease in Other Debtors	-	-
<b>Net Cash provided by operating activities</b>	<u>325,625</u>	<u>454,499</u>
<b>Cash flow information by reporting unit</b>		
<b>Cash Inflows</b>		
FAAA – International Division	1,611,608	1,710,260
<b>Total cash inflows</b>	<u>1,611,608</u>	<u>1,710,260</u>
<b>Cash out flows</b>		
FAAA – International Division	1,292,857	1,267,147
<b>Total cash outflows</b>	<u>1,292,857</u>	<u>1,267,147</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

NOTE 14: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's exposure to interest rate risk is nil, but financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and liabilities is as follows:

AS AT 30 JUNE 2015

	Weighted Average Interest Rate	Non- Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	3.59%	10,183	5,401,659	-	-	5,411,842
Receivables	0%	-	-	-	-	-
<b>Total Financial Assets</b>		<b>10,183</b>	<b>5,401,659</b>	<b>-</b>	<b>-</b>	<b>5,411,842</b>
Payables	0%	114,330	-	-	-	114,330
<b>Total Financial Liabilities</b>		<b>114,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,330</b>

AS AT 30 JUNE 2016

	Weighted Average Interest Rate	Non- Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate Maturing Within 1 Year \$	Fixed Interest Rate Maturing 1 – 5 Years \$	Total \$
Cash	2.67%	7,347	5,723,246	-	-	5,730,593
Receivables	0%	-	-	-	-	-
<b>Total Financial Assets</b>		<b>7,347</b>	<b>5,723,246</b>	<b>-</b>	<b>-</b>	<b>5,730,593</b>
Payables	0%	118,574	-	-	-	118,574
<b>Total Financial Liabilities</b>		<b>118,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,574</b>

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

NOTE 15: FAIR VALUE MANAGEMENT

(a) **Financial Assets and Liabilities**

Management of the Association assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The Association has no other financial assets or liabilities.

(b) **Fair Value Hierarchy**

The following tables provide an analysis of non financial assets

**Fair Value Hierarchy 30 June 2016**

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
<b>Assets Measured at Fair Value</b>				
Land & Buildings	16 June 2016	na	1,788,137	na
Building Improvements, Plant & Equipment	na	na	696,129	na

**Fair Value Hierarchy 30 June 2015**

	Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
<b>Assets Measured at Fair Value</b>				
Land & Buildings	3 Sep 2012	na	938,442	na
Building Improvements, Plant & Equipment	na	na	723,023	na

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016	2015
	\$	\$
<b>NOTE 16: UNION LEAVE DAYS EXPENSES</b>		
All Association office holders are full time employees of Qantas Airways Ltd (QAL), QF Cabin Crew Australia Pty Ltd (QFCCA) or Virgin Australia Ltd. The association reimburses Qantas Airways Ltd and QF Cabin Crew Australia Ltd for salary costs for days spent by QAL and QFCCA officials on Association matters whilst on union leave days.	135,938	100,677
<b>Total Union leave day expenses</b>	<u>135,938</u>	<u>100,677</u>

**NOTE 17: RETAINED EARNINGS**

Movements in retained earnings are as follows:

Balance 1 July	6,753,166	6,333,368
Net Surplus (deficiency) for the year	<u>277,536</u>	<u>419,798</u>
<b>Balance 30 June</b>	<u>7,030,702</u>	<u>6,753,166</u>

**NOTE 18: RESERVES**

Movements in reserves are as follows:

Balance 1 July	140,441	140,441
Additions	849,695	-
Reductions	-	-
<b>Balance 30 June</b>	<u>990,136</u>	<u>140,441</u>

**NOTE 19: CONTINGENCIES**

There are no known contingent assets or liabilities at 30 June 2016

**NOTE 20: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

Since the end of the financial year a Fair Work Commission investigation into the affairs of the Division was finalised requiring the Division to comply with a rectification notice to supply additional disclosures relating to Related Party Transactions. The Division has complied with the rectification notice and does not expect any financial impact on the Division

Apart from this item no matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Division, the results of those activities or the state of affairs of the Division in the ensuing or any subsequent financial year.

**NOTE 21: WAGE RECOVERY ACTIVITY**

All wage recovery activity has resulted in payments being made directly to members by employers. The Division has not derived any revenue in respect of these activities.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

NOTE 22: RELATED PARTY TRANSACTIONS

(a) Remuneration of office holders

The names of the members of the Divisional Executive and the Divisional Council are listed in this report. Salaries paid to officeholders are disclosed in aggregate in the Statement of Financial Performance.

(b) Transactions with officer holders

Union Leave Days

QAL/QFCCA provides union leave days for the release of elected officials for FAAA purposes. The FAAA pays QAL/QFCCA for the value of union leave days. Apart from disclosed in this note there were no transactions between the officers of the Division other than those relating to their membership of the Division in respect of salaries and expenses incurred by them in the performance of their duties.

	2016	2015
	\$	\$
<b>(i) Holders of Office Union Leave Days</b>		
Michael Mijatov	101,353	65,907
Lee Lam	15,259	16,765
Scott Underwood	1,539	8,890
Scott Underwood (Sconic Consulting)	5,638	2,786
Leo Gasparre	2,783	137
Jamie Horswell	2,494	-
Sonia Fabbro	2,308	824
Justin Coghlan	1,434	-
Peter Papagiannopoulos	1,216	335
Carolyn Cottee	865	-
Teri O'Toole	414	-
Gus Cladera	353	-
Bruce Roberts	282	-
Stephen Brownlie	-	3,279
Zara Campbell	-	496
Leo Close	-	1,088
Chloe Chur	-	170
Holders of Office Union Leave Days	135,938	100,677
<b>(ii) Holders of Office – FAAA Salaries inc. Super</b>		
Michael Mijatov	67,649	66,923
Lee Lam	10,497	11,240
Stephen Brownlie	3,193	3,946
Leo Gasparre	3,070	555
Sonia Fabbro	2,830	740
Jamie Horswell	1,306	0
Peter Papagiannopoulos	1,179	740
Scott Underwood	925	5,816
Justin Coghlan	867	0
Zara Campbell	740	1,110
Carolyn Cottee	705	0
Murray Smith	370	555
Sam Mead	370	740

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016 \$	2015 \$
Gustavo Cladera	370	-
Clair Smith	185	-
David Horsfall	-	555
Leo Close	-	370
Chloe Chur	-	185
Nicholas Kenny	-	185
	<u>94,256</u>	<u>93,660</u>

**(iii) Sconic Consulting Pty Limited**

Scott Underwood the Assistant Secretary of the International Division has disclosed a material personal interest to the International Division, arising from his company Sconic Consulting Pty Ltd providing IT services to the International Division.

Expenses for computer, network maintenance and related expenses paid to Sconic Consulting Pty Limited, a company controlled by Scott Underwood who was elected as Assistant Secretary on 4 December 2012 and resigned 27 October 2015

34,143	32,469
<u>34,143</u>	<u>32,469</u>

Other than those amount disclosed in this report there have been no other transactions between officers and the union other than those relating to their membership of the union and the reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those it is reasonable to expect would have been adopted by parties at arm's length.

**(c) Key management personnel**  
**Short-term employee benefits**

Salaries	87,029	86,252
Union Leave Days	135,938	100,677
Annual Leave Accrued	-	-
<b>Total short-term employment benefits</b>	<u>222,967</u>	<u>186,929</u>
<b>Post-employment benefits</b>		
Superannuation	7,228	7,409
<b>Total post-employment benefits</b>	<u>7,228</u>	<u>7,409</u>

**(d) Remuneration of officer holders**

The 2 highest paid office holders of the International Division were:

Michael Mijatov		
- Salary	61,780	61,117
- Union Leave Days	101,353	65,907
- Superannuation	5,869	5,806
Lee Lam		
- Salary	9,680	10,295
- Union Leave Days	15,259	16,765
- Superannuation	817	945

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE  
2016 (Cont'd)

	2016	2015
	\$	\$
<b>The 5 highest paid office holders of the Union were:</b>		
Michael Mijatov (Int Div.)		
- Salary	61,780	61,117
- Union Leave Days	101,353	65,907
- Superannuation	5,869	5,806
Jo Anne Davidson (Nat. Div.)		
- Salary	50,643	55,498
- Union Leave Days	51,707	50,398
- Superannuation	4,818	5,140
Shane Scanlon (Nat. Div.)		
- Salary	60,657	24,377
- Union Leave Days	23,838	18,302
- Superannuation	5,592	1,455
Wayne Middleton (Nat. Div.)		
- Salary	4,567	20,336
- Union Leave Days	4,581	14,399
- Superannuation	352	1,455
Lee Lam (Int. Div.)		
- Salary	9,680	10,295
- Union Leave Days	15,259	16,765
- Superannuation	817	945

**NOTE 23 – OTHER INFORMATION**

**(i) Going Concern**

The Division's ability to continue as a going concern is not reliant on financial support from another reporting unit.

**(ii) Financial Support**

No financial support has been provided to another reporting entity to ensure that it continues as a going concern.

**(iii) Acquisition of assets and liability under specific sections**

The Division did not acquire any assets or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act.

**(iv) Acquisition of assets and liabilities as part of a business combination**

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

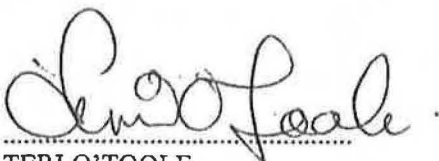
COMMITTEE OF MANAGEMENT STATEMENT

At a meeting held on *12th October* 2016, the Divisional Executive of the Flight Attendants' Association of Australia International Division passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2016:

The Divisional Executive of the Flight Attendants' Association of Australia International Division 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 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 Division for the financial year ended 30 June 2016.
- (d) there are reasonable grounds to believe that the Division will be able to pay its debts as and when they become due and payable; and
- (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 Division; and
  - (ii) the financial affairs of the Division have been managed in accordance with the rules of the Division; and
  - (iii) the financial records of the Division 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) where information has been sought in any request by a member of the Division or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) during the year to which the GPFR relates there has been no recovery of wages activity

This declaration is made in accordance with a resolution of the Divisional Executive.



TERI O'TOOLE  
DIVISIONAL SECRETARY

Dated this *12th* day of *October* 2016

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE FLIGHT ATTENDANTS' ASSOCIATION OF  
AUSTRALIA INTERNATIONAL DIVISION**

*Report of the Financial Report*

We have audited the accompanying financial report of the Flight Attendants' Association of Australia International Division, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by committee of management.

*Committee's Responsibility for the Financial Report*

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing 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 judgment, 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 committee, 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.

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

As part of the audit of the financial statements we have concluded that the management's use of the going concern basis of accounting in the preparation of the Division's financial statements is appropriate.

*Independence*

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



***Auditor's Opinion***

In our opinion:

- i. The general purpose financial report of Flight Attendants' Association of Australia International Division presents fairly, in all material respects, the financial position of Flight Attendants' Association of Australia International Division as at 30 June 2016 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity
  - a. The Australian Accounting Standards
  - b. any other requirements imposed by the Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009
- ii. The Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate

**PEER WEALTH  
Certified Practising Accountants  
Level 2, 39 East Esplanade  
Manly NSW 2095**



**WILLIAM J. WALKER**  
(Member Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate)

Dated this *13th* day of *October* 2016