



**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition St, Melbourne Vic 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7990  
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Mr Darryl Watkins  
Divisional Secretary  
Flight Attendants' Association of Australia  
Domestic/Regional Division  
18/538 Gardeners Road  
ALEXANDRIA NSW 2015

By email: [info@faadomestic.org.au](mailto:info@faadomestic.org.au)

Dear Mr Watkins,

**Re: Financial Documents - year ended 31 March 2006 (FR2006/526)**  
**Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)**

I have received the Designated Officer's Certificate for the Domestic Division of the Flight Attendants' Association of Australia for the year ended 31 March 2006. The certificate was lodged in the Registry on 4 December 2006.

The documents for year ending 31 March 2006 have now been filed - no further action is required.

The following comments are to assist you in future financial years.

Presentation of full financial report to general meeting

I note that your Designated Officer's certificate states that:

*The Concise Report was presented to...a General Meeting ...of the Division*

Please note that the full financial report must be presented to the meeting not the concise report. This is because the RAO Schedule contemplates the following 3 steps:

First - the full financial report or the concise report is *provided to members* by post, a journal, a website etc – see s265.

Second – there is then a gap of at least 21 days – see s265(5).

Third – the full financial report (not the concise report) is then *presented to a general meeting* – see s266.

The enclosed Timeline provides further information regarding the above.

If you have any queries please contact me on (03) 8661 7990.

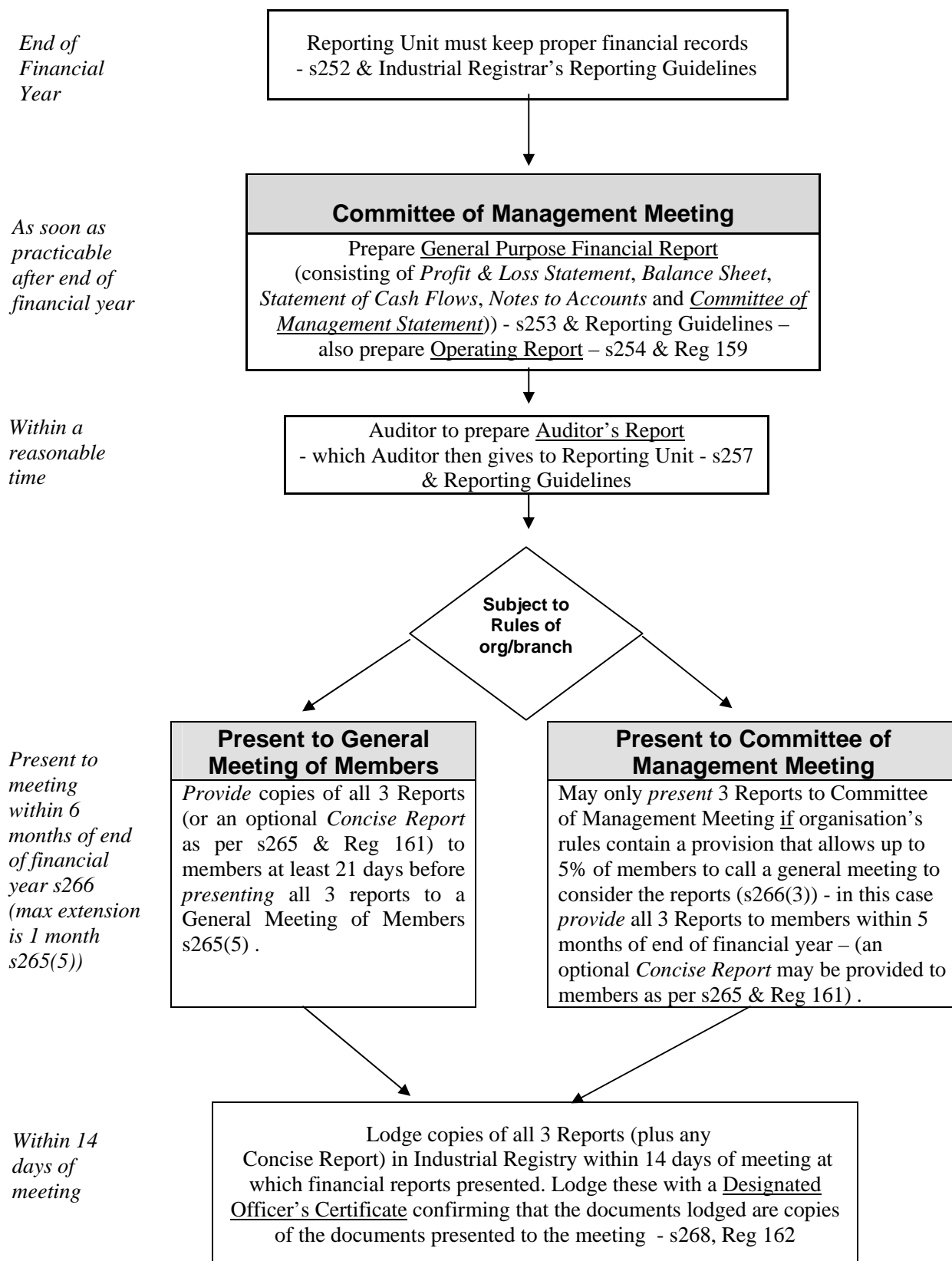
Yours faithfully,

Andrew Schultz  
Statutory Services Branch

7 December 2006

# Financial Reporting Timeline (RAO Schedule)

Lodge financial reports within 6½ months of end of financial year by completing the following steps:




**FLIGHT ATTENDANTS ASSOCIATION OF AUSTRALIA  
DOMESTIC/REGIONAL DIVISION**

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**DESIGNATED OFFICERS CERTIFICATE**

I, Darryl Watkins, being the Secretary of the Flight Attendants' Association of Australia Domestic/Regional Division certify:

1. In accordance with the requirements of the Workplace Relations Act, I hereby certify that the documents previously lodged with the Industrial Registry on 3 October 2006 are true copies of the documents presented to the Associations Divisional Executive on 5 July 2006 and the Concise report was circulated to FAAA Domestic/Regional Division members on July 31 2006.
2. Further, that the Concise Report was presented to members at a General Meeting of members of the Division as per s265(5) on the 22 November 2006 in accordance with s265 of the RAO Schedule.



Darryl Watkins  
Divisional Secretary  
FAAA Domestic/Regional Division

4 December 2006.

**From:** SCHULTZ, Andrew  
**Sent:** Monday, 30 October 2006 1:16 PM  
**To:** 'Darryl Watkins'  
**Subject:** Re: FAAA Domestic/Regional Division - Disclosure of Expenditure

**Follow Up Flag:** uidelines.  
**Flag Status:** Flagged

**Attachments:** 020.pdf  
Dear Darryl,

**Re: FAAA Domestic/Regional Division - Disclosure of Expenditure**

Thank you for your email

You are correct on all points regarding the disclosure of expenditure - I apologise for the confusion.

I think the confusion arose because the *Income Statement* itself did not include a reference to the relevant *Notes to the Accounts* - at least there was no reference for the *salaries* and the *professional fees* - this tended to suggest that there was not any further information regarding these items in the Notes to the Accounts.

I have *attached* above an amended copy of the Income Statement with references to some notes added - in future financial years the inclusion of such references in the Income Statement should remove any confusion. There is no requirement for the present financial accounts for year ended 31 March 2006 to be amended in any way.

This approach is consistent with the requirements of the RAO Schedule and the s253 Reporting Guidelines. In particular I note that Item 11 of the s253 Reporting Guidelines states: *'Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement (otherwise known as the Income Statement) in accordance with Australian Accounting Standards.....'* (underlining added).

If you have any queries/comments regarding the above please contact me.

Regards,

Andrew Schultz  
Research Information and Advice Branch  
Australian Industrial Registry

Ph: (03) 8661 7990  
Email: [andrew.schultz@air.gov.au](mailto:andrew.schultz@air.gov.au)

**From:** Darryl Watkins [<mailto:dwatkins@faaadomestic.org.au>]  
**Sent:** Thursday, 26 October 2006 4:18 PM  
**To:** [andrew.schultz@air.gov.au](mailto:andrew.schultz@air.gov.au)  
**Subject:** Comments on the FAAA Domestic/Regional Division Income Statement - Disclosure of Expenditure

Dear Andrew

Thank you for your letter dated 9 October regarding the above mentioned matter.

As discussed I will be in contact shortly regarding the dates for the planned General Meeting of members to present the financial reports.

The following is my response to the comments regarding the Disclosure of Expenditure:

1. Legal Costs are referred to in the accounts – Page 11 Note 5.
2. Donations are referred to in the accounts – Page 11 Note 5.
3. Employee benefits to holders of office – Page 11 Note 6.
4. Employee benefits to employees – Page 11 Note 6.
5. Affiliation Fees – Page 11 Note 5.
6. Capitation Fees – There are none.
7. Levies – We have not utilised levies.
8. Conference Expenses – There are none.

I hope the above makes sense. I will talk to our Auditor in relation to the matters you have raised regarding Salaries & Related Expenses and Legal & Professional Fees.

I look forward to your comments on the above points to ensure the future FAAA Domestic/Regional Division Income Statements abide by the RAO Schedule.

Yours sincerely

***Darryl Watkins***

**Divisional Secretary**  
**Flight Attendants' Association of Australia**  
**Domestic/Regional Division**  
Unit 18/538 Gardeners Road  
Alexandria NSW 2015  
Ph: 02 9669 5366  
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**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition St, Melbourne Vic 3000  
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Mr Darryl Watkins  
Divisional Secretary  
Flight Attendants' Association of Australia  
Domestic/Regional Division  
18/538 Gardeners Road  
ALEXANDRIA NSW 2015

By email: [info@faaadomestic.org.au](mailto:info@faaadomestic.org.au)

Dear Mr Watkins,

**Re: Financial Documents - year ended 31 March 2006 (FR2006/526)**  
**Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)**

I have received the financial report and concise report for the Domestic Division of the Flight Attendants' Association of Australia for the year ended 31 March 2006. The documents were lodged in the Registry on 3 October 2006.

This is the second lodgment by the Division of its financial reports under the *Registration and Accountability of Organisations (RAO) Schedule* which commenced on 12 May 2003.

A *Timeline* is enclosed which summarises the main requirements of the RAO Schedule.

The documents have not yet been filed as the following two steps still need to be completed:

1. Presentation of documents to a general meeting.

It appears that the financial reports were presented to a meeting of the Divisional Executive rather than to a General Meeting of members.

Section 266(3) of the RAO Schedule only allows for the documents to be presented to a Committee of Management meeting (such as a meeting of the Divisional Executive) if:

*the rules of the reporting unit provide for a specified percentage (not exceeding 5%) of members to be able to call a general meeting of the reporting unit for the purpose of considering the auditor's report, the general purpose financial report and the operating report.*

While Rules 19 and 42 of the FAAA Rules relate to special meetings and plebiscites they do not appear to comply with the requirements of s266(3).

Accordingly, it will be necessary for the Division to present the financial reports for year ending 31 March 2006 to a general meeting of the Division.

In future financial years the Division may be able to present its financial documents to a Divisional Executive meeting rather than a general meeting if the FAAA Rules are altered to comply with the requirements of s266(3) of the RAO Schedule. The Registry can provide advice regarding any draft rules the organisation may wish to lodge with respect to s266.

## 2. Lodge documents in Registry within 14 days of meeting

The financial documents should then be relodged in the Industrial Registry within 14 days of the meeting at which they were presented - see s268 of the RAO Schedule.

### **Comments to assist in future financial years**

The following comments may assist you when you next prepare financial reports. No further action is required regarding the comments below with respect to the lodged documents.

#### Disclosure of expenditure

The Income Statement is required to disclose a range of expenditure items such as:

- Legal costs (and other expenses related to litigation or other legal matters)
- Grants or Donations
- Employee benefits to *holders of office*
- Employee benefits to *employees (other than holders of office)*
- Affiliation fees or subscriptions to political parties or industrial bodies
- Capitation Fees (contributions to the National Office of the registered organisation)
- Levies
- Conference Expenses
- Conferences - Fees/Allowance for attendance

Further information regarding these expenditure items is set out in Item 11 of the *Industrial Registrar's Reporting Guidelines* issued under s253 of the RAO Schedule – see enclosed.

In future financial years please ensure that the expenditure disclosed in the Income Statement is in accord with the requirements of the Reporting Guidelines.

In particular the following expenditure items identified in the lodged Income Statement should be amended in future financial years as follows:

- Salaries & Related Expenses – this item should be separately disclosed as *Employee benefits paid to holders of office* and *Employee benefits paid to non holders of office* - see Items 11(g) and (h) of the Industrial Registrar's Reporting Guidelines
- Legal and Professional Fees – the Income Statement must separately list *Legal Costs (and other expenses related to litigation or other legal matters)* – see Item 11(j) of the Industrial Registrar's Reporting Guidelines

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,

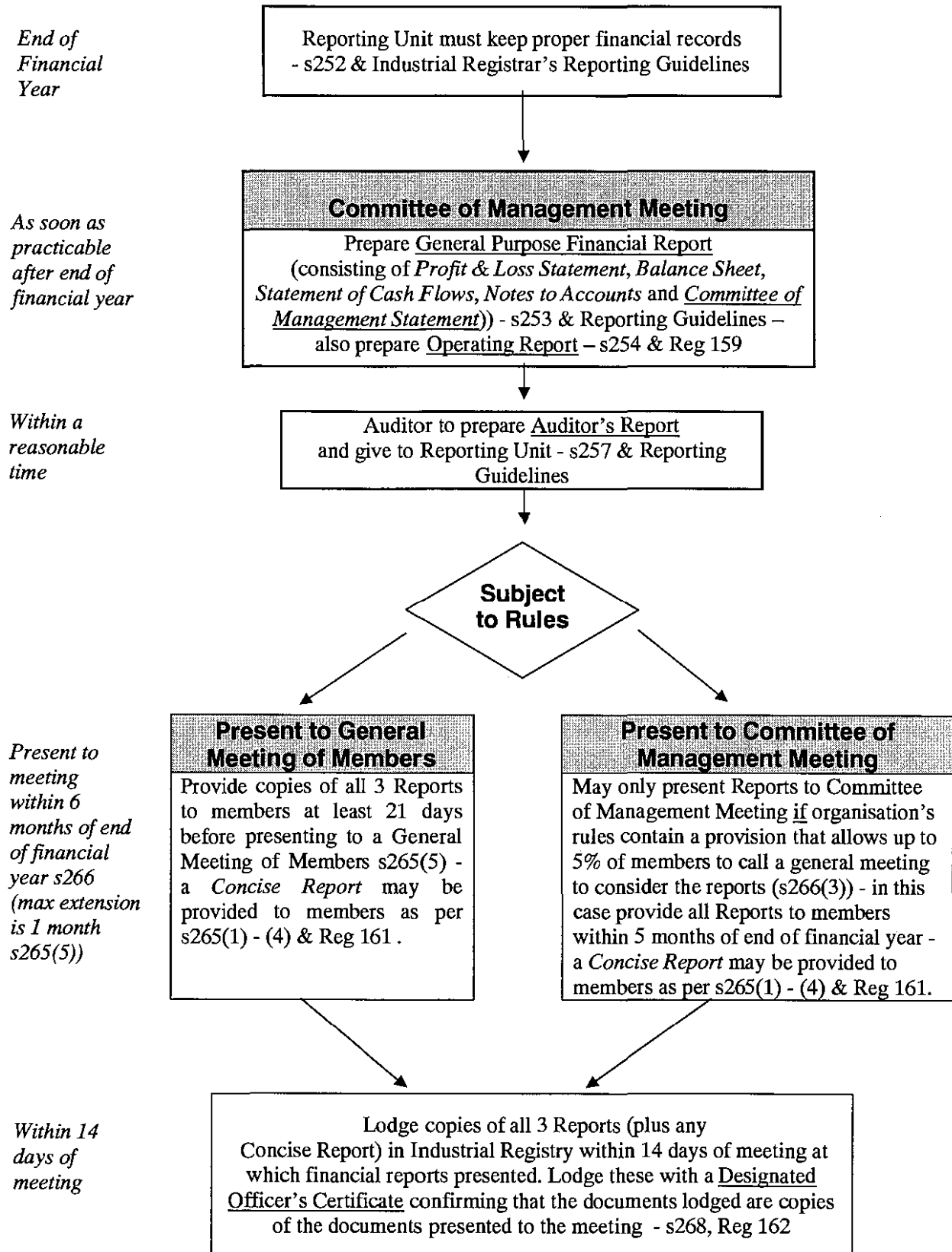


Andrew Schultz  
Statutory Services Branch

9 October 2006

# Financial Reporting Timeline (RAO Schedule)

Lodge financial reports within 6½ months of end of financial year by completing the following steps:





# **Workplace Relations Act 1996**

## **Schedule 1B**

Australian Industrial Registry  
Principal Registry  
Nauru House  
80 Collins Street  
Melbourne Vic 3000

(Postal Address:  
GPO Box 1994S  
Melbourne Vic 3001)

## **Determination of reporting guidelines for the purposes of section 253 of RAO Schedule**

### **Application**

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).
2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).
3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

### **Operative Date**

4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 November 2004.

### **Purpose of Reporting Guidelines**

5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.
6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.
7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

## **General Requirements for Presentation and Disclosures in GPFR**

8. The reporting unit must disclose in the notes to the financial statements:
- (a) where the reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or the balance sheet:
    - (i) the name of the reporting unit on which there is an economic dependency; and
    - (ii) the amount of revenue or financial support derived from the other reporting unit;
  - (b) information for the preceding corresponding financial year which corresponds to the disclosures specified for the current financial year must be disclosed, except where, in respect of the financial year to which these reporting guidelines are first applied, corresponding information was not required under the Act or the Workplace Relations Regulations or a superseded version of these reporting guidelines; and
  - (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to subsections (1), (2) and (3) of section 272 and setting out those subsections.
9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
- (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or
  - (b) a restructure of the branches of the organisation; or
  - (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of an alternative reporting structure for the organisation; or
  - (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1),
- the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:
- (e) date acquired;
  - (f) description; and
  - (g) name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired.

## **Profit and Loss Statement**

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
  - (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
  - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
  - (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and

- (e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).
11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
  - (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
  - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
  - (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
  - (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
  - (f) grants or donations;
  - (g) employee benefits to holders of office of the reporting unit;
  - (h) employee benefits to employees (other than holders of offices) of the reporting unit;
  - (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
  - (j) legal costs and other expenses related to litigation or other legal matters;
  - (k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with 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; and
  - (l) penalties imposed on the reporting unit under the Act or Regulations.
12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and
  - (b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

## **Balance Sheet**

13. Where an item is disclosed on the face of the balance sheet as:
- (a) a receivable or other right to receive cash; or
  - (b) a payable or other financial liability; and
  - (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,
- the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:
- (d) name of the other reporting unit; and
  - (e) cost or value attributable to the other reporting unit.
14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

## **Liabilities**

- (a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- (b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
- (c) employee benefits in respect of holders of offices in the reporting unit;
- (d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

## **Equity**

- (e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- (f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
- (g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
- (h) the balance of the general fund.

## **Statement of Cash Flows**

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

### ***Recovery of wages activity financial report***

16. Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.
17. The financial report required under paragraph 16 should be prepared and presented in a manner consistent with Australian Accounting Standards and Statements of Accounting Concepts approved by the Australian Accounting Standards Board.
18. Comparatives for the preceding financial year must be disclosed in the financial report required under paragraph 16 except where, in respect of the financial year to which these reporting guidelines are first applied, comparatives were not required under a superseded version of these reporting guidelines.
19. The financial report required under paragraph 16 may be prepared under the cash basis of accounting or the accrual basis of accounting, at the option of the organisation provided that all reporting units of the organisation use the same. The Appendix to these reporting guidelines provides for purposes of illustration only the format of this financial report prepared under the cash basis of accounting.
20. Balances including nil amounts for the following items of revenue must be disclosed in the financial report required under paragraph 16:
  - (a) amounts in aggregate recovered from employers in respect of recovery of wages activity; and
  - (b) interest received on recovered moneys.
21. Balances including nil amounts for the following items of outgoings from recovered moneys must be disclosed in the financial report required under paragraph 16:
  - (a) deductions of amounts payable in aggregate in respect of membership of the organisation where at the time of deduction the amounts had become payable:
    - (i) 12 months before or earlier; or
    - (ii) greater than 12 months before; and
  - (b) deductions of donations or other contributions made to a fund or account of the reporting unit showing the name and amount in aggregate in respect of each such fund or account; and
  - (c) deductions of donations or other contributions made to a fund or account of another reporting unit of the organisation showing the name of the other reporting unit and the name and amount in aggregate in respect of each such fund or account; and
  - (d) deductions of donations or other contributions made to a fund or account of another entity showing the name of the other entity and the name and amount in aggregate in respect of each such fund or account; and
  - (e) deductions in aggregate of fees charged or reimbursements in aggregate of expenses incurred by the reporting unit in respect of recovery of wages activity; and
  - (f) amounts in aggregate distributed to workers as recovered moneys.
22. Balances including nil amounts for cash assets attributable to recovered moneys must be disclosed in the financial report required under paragraph 16 as at the:
  - (a) beginning of the financial year; and

(b) end of the financial year.

23. For purposes of subparagraph 253(2)(b)(ii) of the RAO Schedule the notes to the financial statements must contain the following information in relation to recovery of wages unless already disclosed in the financial report required under paragraph 16:
- (a) the number of workers to which the moneys recovered mentioned in subparagraph 20(a) relate; and
  - (b) aggregate payables to workers attributable to recovered moneys but not yet distributed; and
  - (c) the number of workers to which the payables mentioned in subparagraph (b) relate; and
  - (d) name and balance of each fund or account operated for recovery of wages activity; and
  - (e) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (d) have been invested in any assets - the name of the fund or account and the value of those assets.

### ***Committee of Management Statement***

24. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.
25. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:
- (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 Industrial Registrar;
  - (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 GPFR relates and since the end of that year:
    - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
    - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
    - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
    - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
    - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
    - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

26. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.

### **Auditor's Statement**

27. The auditor's statement required under section 257(5) of the RAO Schedule must include a declaration as to whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;
- (b) in relation to recovery of wages activity;
  - (i) that the scope of the audit encompassed recovery of wages activity;
  - (ii) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Registrar, including;
    - 1. any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
    - 2. any donations or other contributions deducted from recovered money; and
- (c) any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule.

## **Glossary of Terms**

28. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

**amalgamated organisation** has the meaning provided in section 35 of the RAO Schedule.

**assets** are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

**Australian Accounting Standards** means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

**cash assets** means cash on hand and cash-equivalent assets.

**cash-equivalent assets** means highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the investor's option and are subject to an insignificant risk of changes in value.

**cash flows** means cash movements resulting from transactions with parties external to the reporting unit.

**cash on hand** means notes and coins held, and deposits held at call with a financial institution.

**comparatives** mean the corresponding amounts and other disclosures for the preceding financial year presented for comparative purposes as part of the current year's financial report.

**designated officer** is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

**employee benefits** means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

**entity** means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

**equity** means the residual interest in the assets of the reporting unit after deduction of its liabilities.

**financial liability** includes an obligation to deliver cash to another entity.

**financial records** to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

**financial statements** comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

**financial year** in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

**general administrative expenses** includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

**general fund** means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

**general purpose financial report** has the meaning set out in subsection 253(2) of the RAO Schedule.



**grant or donation** is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

**liabilities** are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

**membership subscriptions** means periodic subscriptions in respect of membership of the organisation.

**notes to the financial statements** comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).

**organisation** means an organisation registered under the RAO Schedule.

**payables** are amounts owed by the reporting unit to other entities for goods or services delivered.

**RAO Schedule** means Schedule 1B to the *Workplace Relations Act 1996*.

**RAO Regulations** means the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*.

**receivables** are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

**recovery of wages activity** means work by the organisation to recover from employers money due and payable to workers under awards, certified agreements or Australian Workplace Agreements and contracts of employment.

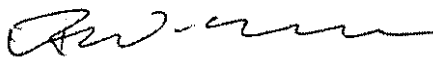
**reporting unit** has the meaning set out in section 242 of the RAO Schedule.

**revenues** are inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of the reporting unit that result in an increase in equity during the financial year.

**rules of an organisation** are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

**workers** means, in the context of recovery of wages activity, an employee of an employer who may or may not be a member of the organisation engaging in the recovery of wages activity.

Dated: 12 October 2004



Nicholas Wilson  
**Industrial Registrar**

## Appendix\*

\* refer paragraph 19 of reporting guidelines for the purposes of section 253 of the RAO Schedule

**[full name of reporting unit]**

### **Statement of receipts and payments for recovery of wages activity - Cash Basis - for year ended 30 June 2004**

	Note	2004 \$	2003 \$
<b>Cash assets in respect of recovered money at beginning of year</b>		X	X
<b>Receipts</b>			
Amounts recovered from employers in respect of wages etc		X	X
Interest received on recovered money		X	X
		<hr/>	<hr/>
<b>Total receipts</b>		X	X
<b>Payments</b>			
Deductions of amounts due in respect of membership for:			
• 12 months or less		(X)	(X)
• greater than 12 months		(X)	(X)
Deductions of donations or other contributions to accounts or funds of:			
• the reporting unit -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
• [name of other reporting unit of the organisation] -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
• [name of other entity] -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
Deductions of fees or reimbursements of expenses		(X)	(X)
Payments to workers in respect of recovered money		(X)	(X)
		<hr/>	<hr/>
<b>Total payments</b>		(X)	(X)
		<hr/>	<hr/>
<b>Cash assets in respect of recovered money at end of year</b>		X	X
		<hr/>	<hr/>

FR 2006/526

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA

Domestic/Regional Division  
18/538 Gardeners Road, Alexandria NSW 2015 Ph: (02) 9669 5366, Fax: (02) 9669 5388  
Email: info@faadomestic.org.au

Industrial Registrar  
Nauru House  
80 Collins Street  
Melbourne VIC 3000

29 September 2006

Recd 2006  
3 Oct. 08

Dear Sir/Madam

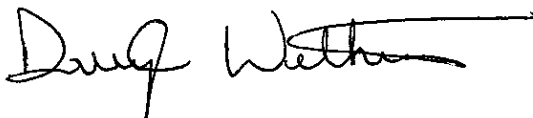
**2005-2006 ANNUAL ACCOUNTS**

I am writing as the Divisional Secretary, Domestic/Regional Division of the Flight Attendants' Association of Australia.

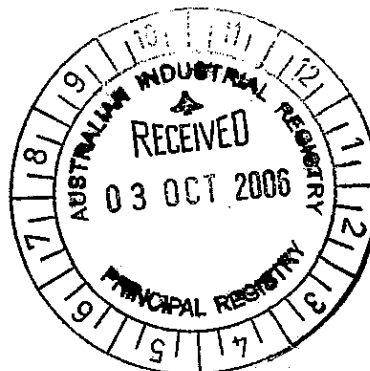
In accordance with the requirements of the Workplace Relations Act, I hereby certify that the documents lodged with the Registrar for the year ended 31 March 2006 are copies of the Financial Report which includes the auditors report and the Concise report.

I certify that the attached documents are true copies of the documents presented to the Associations Divisional Executive (Committee of Management) on 5 July 2006 and the accounts circulated to FAAA Domestic/Regional Division members on July 31 2006. The Divisional Executive acknowledged that they were presented to members by way of resolution at a Divisional Executive meeting on 27 September 2006.

Yours sincerely



Darryl Watkins  
Divisional Secretary  
FAAA Domestic/Regional Division



**Final Adoption of Annual Accounts: 27 September 2006**

The following resolution was carried by Divisional Executive on 27 September 2006 after access to the accounts had been provided to FAAA Domestic/Regional Division members.

“BIR that this Divisional Executive of the FAAA Domestic/Regional Division acknowledges receipt of the 2005-2006 concise accounts as presented to FAAA Domestic/Regional Division members on 31 July 2006.”

**2005/2006 Annual Accounts – Divisional Executive Resolution.**

On 5 July 2006 the following Divisional Executive resolution was carried.

**DE.18/06**

“BIR that Divisional Executive authorise the Divisional Secretary to sign the following documents on their behalf.

1. Operating report of the Financial Report.

and

2. Committee of Management Statement

and

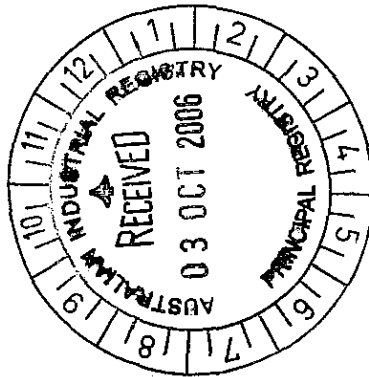
3. Discussion and Analysis of the Financial Statements.

Further, the Divisional Secretary is authorised to forward the appropriate documents to the Industrial Registrar and the publishing of the Concise report on the FAAA Domestic/Regional Division website for the year ended 31 March 2006 and notify the FAAA Domestic/Regional Division membership accordingly.

# FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION

ABN 72 742 734 217

FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2006



**BGL & ASSOCIATES**  
Chartered Accountants  
Suite One, Ground Floor, 598 St Kilda Road Melbourne VIC 3004  
PO Box 6094 St Kilda Road Central VIC 8008  
Tel: (03) 9525 2511 Fax: (03) 9525 2829  
Email: [bgl@bglassociates.com.au](mailto:bgl@bglassociates.com.au)

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## **OPERATING REPORT**

Your Divisional Executive present their report on the union for the financial year ended 31 March 2006.

### **Members of Executive**

The names of the members of Divisional Executives in office at any time during or since the end of the financial year are:

<u>Name</u>	<u>Position</u>	<u>Period of Appointment</u>
Darryl Watkins	Divisional Secretary	1 April 2005 to 31 March 2006
Tom Snowball	Divisional Assist. Secretary	1 April 2005 to 31 March 2006
Jo-Ann Davidson	Divisional President	1 April 2005 to 31 March 2006
Joann Kailanen	Divisional Vice President	1 April 2005 to 22 March 2006
	Jetstar Team Coordinator	22 March 2006 to 31 March 2006
Marnie Sluice	QLD Branch Secretary	1 April 2005 to 15 October 2005
Carol Franklin	NSW Branch Secretary	1 April 2005 to 15 October 2005
	Qantas Team Coordinator	22 Nov. 2005 to 31 March 2006
Wayne Middleton	VIC Branch Secretary	1 April 2005 to 15 October 2005
Janine McCabe	WA Branch Secretary	1 April 2005 to 15 October 2005
Rebecca Warren	Virgin Blue Team Coordinator	22 Nov. 2005 to 31 March 2006
Brett Inman	Eastern/Sunstate Team Coordinator	22 March 2006 to 31 March 2006

### **Operating Results**

The surplus of the union for the financial year amounted to \$203,863.

### **Review of Operations**

A review of the operations of the union during the financial year and the results of those operations found that during the year, the union continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### **Significant Changes in State of Affairs**

No significant changes in the state of affairs of the union occurred during the financial year.

### **Principal Activity**

The principal activity of the union during the financial year was promoting union activities in the aviation sector.

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

### **After Balance Date Events**

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

### **Union details**

The union has 8 (2005: 9) full time staff and 19 (2005: 19) other staff at 31 March 2006.

The number of members at 31 March 2006 was 4,050 (2005: 3,842).



**OPERATING REPORT (continued)**

**Right of members to resign**

Members may resign from the union in accordance with rule 36, which reads as follow:

"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 no earlier than the day when the member ceases to be eligible to become a member;whichever is later; 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 later.
- (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 effected 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."

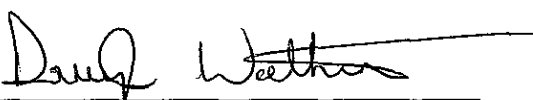
**Directorships of Superannuation Fund**

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Flight Attendants' Association of Australia - Domestic/Regional Division is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

Signed in accordance with a resolution of the Divisional Executive:

Designated Officer

  
Darryl Watkins (Divisional Secretary)

Dated this

5<sup>th</sup> July 2006

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 \$	2005 \$
Revenues	4	<u>1,863,953</u>	<u>1,619,329</u>
Administration and other expenses		(117,625)	(158,400)
Office furniture and equipment		(67,408)	(56,625)
Industrial expenses		(321,040)	(301,311)
Legal and professional fees		(155,137)	(62,569)
Rent and occupancy		(71,868)	(73,799)
Salaries and related expenses		(923,140)	(715,158)
Vehicle expenses		<u>(3,872)</u>	<u>(4,952)</u>
		<u>(1,660,090)</u>	<u>(1,372,814)</u>
<b>Surplus for the period</b>		<u>203,863</u>	<u>246,515</u>
<b>Surplus attributable to members of the entity</b>		<u>203,863</u>	<u>246,515</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
**ABN 72 742 734 217**

**BALANCE SHEET**  
**AS AT 31 MARCH 2006**

	Notes	2006 \$	2005 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	782,059	497,318
Trade and other receivables	8	34,709	38,096
Inventories	9	12,334	-
Other	10	<u>23,265</u>	<u>25,189</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>852,367</b></u>	<u><b>560,603</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	<u>739,246</u>	<u>765,714</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>739,246</b></u>	<u><b>765,714</b></u>
<b>TOTAL ASSETS</b>		<u><b>1,591,613</b></u>	<u><b>1,326,317</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	144,166	116,613
Provisions	13	<u>82,698</u>	<u>63,516</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>226,864</b></u>	<u><b>180,129</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	<u>66,484</u>	<u>51,687</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>66,484</b></u>	<u><b>51,687</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>293,348</b></u>	<u><b>231,816</b></u>
<b>NET ASSETS</b>		<u><b>1,298,265</b></u>	<u><b>1,094,501</b></u>
<b>MEMBERS' FUND</b>			
Reserves	14	385,049	380,148
Accumulated surplus	15	<u>913,216</u>	<u>714,353</u>
<b>TOTAL MEMBERS' FUND</b>		<u><b>1,298,265</b></u>	<u><b>1,094,501</b></u>

The accompanying notes form part of these financial statements.

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2006

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	Notes	2006 \$	2005 \$
Total equity at the beginning of the financial year		<u>1,094,501</u>	<u>849,044</u>
Surplus for the period		203,863	246,515
Transfer to reserve		<u>(5,000)</u>	<u>-</u>
		198,863	246,515
Net changes in reserve		<u>4,901</u>	<u>(1,058)</u>
Total recognised income and expenses for the year		<u>203,764</u>	<u>245,457</u>
Total equity at the end of the financial year		<u>1,298,265</u>	<u>1,094,501</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
**ABN 72 742 734 217**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	2006 \$	2005 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		1,994,258	1,718,840
Sundry receipts		32,342	48,955
Welfare fund received/(paid)		(99)	(1,058)
Payments to suppliers and employees		(1,745,521)	(1,437,553)
Interest received		<u>22,561</u>	<u>16,006</u>
Net cash inflows from operating activities	19(b)	<u>303,541</u>	<u>345,190</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	10,455
Payment for property, plant and equipment		<u>(18,800)</u>	<u>(74,543)</u>
Net cash outflows from investing activities		<u>(18,800)</u>	<u>(64,088)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of bank loan		<u>-</u>	<u>(326,242)</u>
Net cash outflows from financing activities		<u>-</u>	<u>(326,242)</u>
Net increase/(decrease) in cash and cash equivalents held		<b>284,741</b>	(45,140)
Cash and cash equivalents at beginning of financial year		<u>497,318</u>	<u>542,458</u>
Cash and cash equivalents at end of financial year	19 (a)	<u>782,059</u>	<u>497,318</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 1: ENTITY INFORMATION**

The financial report of the Flight Attendants' Association of Australia - Domestic/Regional Division for the year ended 31 March 2006 was authorised for issue in accordance with the resolution of Divisional Executive on 5th July 2006.

Flight Attendants' Association of Australia - Domestic/Regional Division is a registered trade union under the Workplace Relations Act 1996 and domiciled in Australia. The purpose of the entity is to protect and improve conditions and entitlements for members in the aviation sector.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basic of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the RAO Schedule of the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of the Australian equivalents to International Financial Reporting Standards (A-IFRS) management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods in the revision effects both current and future periods. Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported.

The entity changed its accounting policies on 1 April 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with the requirements of AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 April 2004 as the date of transition.

The accounting policies set out below have been applied in preparing the financial statement for the year ended 31 March 2006, the comparative information presented in these financial statements for the year ended 31 March 2005, and in the preparation of the opening A-IFRS balance sheet at 1 April 2004, the entity date of transition.

The accounting policies have been consistently applied, unless otherwise stated.

**(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include A-IFRS. A Statement of compliance with International Financial Reporting Standards cannot be made due to the entity applying the not for profit sector requirements contained in A-IFRS.

Australian Accounting Standards include A-IFRS. Compliance with AIFRSs ensures that the financial statements and notes the entity comply with International Financial Reporting Standards (IFRS).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

This is the first report prepared based on A-IFRS and the figures for year ended 31 March 2005 have been restated accordingly, excluding cases where optional exemptions available under AASB 1 have been applied. There are no material differences between the financial statements presented under A-IFRS and the financial statements presented under the superseded policies. Consequently, no reconciliation of A-IFRS equity and profit from previous AGAAP to A-IFRS for the year ended 31 March 2005 are provided.

**(c) Income Tax**

No provision for income tax has been raised as the Flight Attendants' Association of Australia - Domestic/Regional Division is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**(d) Inventories**

*Inventory held for distribution*

Brochures, promotion materials and other like items published for distribution to members free of charge are held as inventory held for distribution as the lower of cost and net replacement cost. The carrying amount is expensed in the period of distribution.

**(e) Property, Plant and Equipment**

All classes of assets are stated at cost less any accumulated depreciation and impairment.

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

*Impairment*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

As a not for profit entity whose future economic benefits of an asset (or class of asset) are not primarily dependent on the assets ability to generate cash flows and it would be replaced if the union was deprived of it, value in use is the depreciated replacement cost.

**(f) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(g) Comparative Figures**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Employee Benefits**

*Annual leave and sick leave*

The provision for annual leave represents the amount which the entity has a present obligation to pay resulting from employees' services up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled and includes on-costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid for payable.

*Long Service Leave*

The liability for long service leave is recognised in the provision for leave entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability of employee benefits, account has been taken of future increases in wage and salary rates, the entity experience with staff departures and periods of service.

*Defined Contribution Superannuation*

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**(i) Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with banks.

**(j) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and that it can be reliably measured. Revenue is recognised for the major activities as follows:

*Member Fees and Subscriptions*

Membership fees are recognised on cash basis except for payroll deduction from airlines which are recognised on an accrual basis.

*Interest*

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.

*Other revenue*

Other revenue is recognised when the right to receive the revenue has been established.

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

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

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

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

Cash flows are included in the Cash Flow Statement on a gross basis and GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO as classified as operating cash flows. Commitments and contingencies are disclosed inclusive of GST.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 3: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

(1) a member of a reporting unit, or a Registrar, 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).

**NOTE 4: REVENUE**

	2006 \$	2005 \$
<b>Revenue from operating activities</b>		
- members subscription	1,812,635	1,555,988
- rent	15,273	13,818
- other revenue	<u>13,237</u>	<u>30,742</u>
	1,841,145	1,600,548
<b>Revenue from outside operating activities</b>		
- profit on sales of fixed assets	-	2,065
- interest received from other parties	<u>22,808</u>	<u>16,716</u>
	<u>22,808</u>	<u>18,781</u>
Total Revenue	<u>1,863,953</u>	<u>1,619,329</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

**NOTE 5: SURPLUS FOR THE YEAR**

	2006	2005
	\$	\$
(a) Expenses		
Finance costs - external	-	16,845
Depreciation of non-current assets		
- Buildings	16,942	16,942
- Motor vehicles	5,720	3,018
- Office Equipment	1,265	2,429
- Furniture, fixtures and fittings	6,077	6,472
- Computer Equipment	<u>15,264</u>	<u>15,398</u>
Total Depreciation	<u>45,268</u>	<u>44,259</u>
Remuneration of the auditors for		
- audit or review services	11,500	9,000
- accounting services provided by related practice of auditor	30,150	27,625
Rental expense on operating leases	45,536	39,663
Net loss on disposal of non-current assets		
- Property, plant and equipment	-	10,032
Employee(staff) entitlements - annual leave	19,182	12,603
Employee (staff) entitlements - long service leave	14,797	15,711
Affiliation fee	34,991	35,604
Commission to airlines for fee collection	7,163	7,260
Donation	1,500	-
Legal fee	91,476	3,834
Meeting expenses	29,542	54,787

**NOTE 6: SALARIES AND OTHER EXPENSES**

	2006	2005
	\$	\$
Salaries & related expenses - staff	727,182	584,491
Salaries & related expenses - official	180,457	92,016
Other staff costs	<u>38,758</u>	<u>52,497</u>
	<u>946,397</u>	<u>729,004</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

**NOTE 7: CASH ASSETS**

	2006 \$	2005 \$
Cash on hand	3,500	3,500
Cash at banks	647,607	369,164
Term Deposit	<u>130,952</u>	<u>124,654</u>
	<u><u>782,059</u></u>	<u><u>497,318</u></u>

(a) Cash on hand - these are non-interest bearing

(b) Cash at banks - these are bearing floating interest rates between 0% and 5.4% (2005: 0% and 4.6%). These deposits are on call deposits.

(c) Term deposit - this deposit is bearing fixed rate of 5.56% (2005: 5.4%).

**NOTE 8: RECEIVABLES**

	2006 \$	2005 \$
CURRENT		
Membership debtors	26,043	28,956
Other debtors	<u>8,666</u>	<u>9,140</u>
	<u><u>34,709</u></u>	<u><u>38,096</u></u>

**NOTE 9: INVENTORIES**

	2006 \$	2005 \$
CURRENT		
Inventories held for distribution	<u>12,334</u>	<u>-</u>

**NOTE 10: OTHER ASSETS**

	2006 \$	2005 \$
CURRENT		
Prepayments	21,965	23,889
Other current assets	<u>1,300</u>	<u>1,300</u>
	<u><u>23,265</u></u>	<u><u>25,189</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2006	2005
	\$	\$
<b>BUILDINGS</b>		
At cost	677,669	677,669
Less accumulated depreciation	<u>(50,826)</u>	<u>(33,884)</u>
	<u>626,843</u>	<u>643,785</u>
Total land and buildings	<u>626,843</u>	<u>643,785</u>
<b>PLANT AND EQUIPMENT</b>		
(a) Motor vehicles		
At cost	31,297	31,297
Less accumulated depreciation	<u>(6,507)</u>	<u>(787)</u>
	<u>24,790</u>	<u>30,510</u>
(b) Office equipment		
At cost	22,916	22,916
Less accumulated depreciation	<u>(17,067)</u>	<u>(15,802)</u>
	<u>5,849</u>	<u>7,114</u>
(c) Computer equipment		
At cost	116,592	98,082
Less accumulated depreciation	<u>(80,427)</u>	<u>(65,163)</u>
	<u>36,165</u>	<u>32,919</u>
(d) Furniture, fixtures and fittings		
At cost	84,299	84,009
Less accumulated depreciation	<u>(38,700)</u>	<u>(32,623)</u>
	<u>45,599</u>	<u>51,386</u>
Total plant and equipment	<u>112,403</u>	<u>121,929</u>
Total property, plant and equipment	<u>739,246</u>	<u>765,714</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

**NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(a) Movements in Carrying Amounts**

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

	Buildings	Motor vehicles	Office equipment	Furniture, fixtures & fittings
	\$	\$	\$	\$
<b>2006</b>				
Balance at the beginning of the year	643,785	30,510	7,114	51,386
Additions	-	-	-	290
Depreciation expense	<u>(16,942)</u>	<u>(5,720)</u>	<u>(1,265)</u>	<u>(6,077)</u>
Carrying amount at end of year	<u>626,843</u>	<u>24,790</u>	<u>5,849</u>	<u>45,599</u>

	Computer equipment	Total
	\$	\$
<b>2006</b>		
Balance at the beginning of the year	32,919	765,714
Additions	18,510	18,800
Depreciation expense	<u>(15,264)</u>	<u>(45,268)</u>
Carrying amount at end of year	<u>36,165</u>	<u>739,246</u>

**NOTE 12: PAYABLES**

	2006 \$	2005 \$
<b>CURRENT</b>		
Trade creditors	82,341	61,923
Sundry creditors and accruals	<u>61,825</u>	<u>54,690</u>
	<u>144,166</u>	<u>116,613</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

**NOTE 13: PROVISIONS**

		2006 \$	2005 \$
<b>CURRENT</b>			
Employee benefits - staff	13(a)	<u>82,698</u>	<u>63,516</u>
<b>NON-CURRENT</b>			
Employee benefits - staff	13(a)	<u>66,484</u>	<u>51,687</u>
(a) Aggregate employee benefits liability		<u>149,182</u>	<u>115,203</u>

**NOTE 14: RESERVES**

		2006 \$	2005 \$
Welfare reserve	(a)	6,243	1,342
Amalgamation reserve	(b)	<u>378,806</u>	<u>378,806</u>
		<u>385,049</u>	<u>380,148</u>
<b>(a) Welfare reserve</b>			
Movements during the financial year:			
Opening balance		1,342	2,400
Payments of benefits		-	(1,000)
Transfer from accumulated surplus		5,000	-
Bank charges		<u>(99)</u>	<u>(58)</u>
Closing balance		<u>6,243</u>	<u>1,342</u>

The welfare reserve is set up to provide financial assistance to dis-advantaged flight attendants.

**(b) Amalgamation reserve**

The amalgamation reserve records surplus fund derived from divisionalisation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 15: ACCUMULATED SURPLUS**

	2006	2005
	\$	\$
Accumulated surplus at the beginning of the financial year	714,353	467,838
Net surplus attributable to members of the entity	203,863	246,515
Transfers to reserves	<u>(5,000)</u>	<u>-</u>
Accumulated surplus at the end of the financial year	<u>913,216</u>	<u>714,353</u>

**NOTE 16: CAPITAL AND LEASING COMMITMENTS**

	2006	2005
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	34,822	31,337
- later than one year and not later than five years	14,905	28,978
- later than five years	<u>25,254</u>	<u>24,350</u>
	<u>74,981</u>	<u>84,665</u>

General description of leasing arrangement:

The property lease for Melbourne office is non-cancellable lease with a two-year term. An option exists to renew the lease at the end of the term for two further terms of two years. Other leases are related to the rental of office equipment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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**NOTE 17: INFORMATION OF DIVISIONAL EXECUTIVE**

(a) The elected officials within all Branches/airline teams of the FAAA Domestic/Regional Divisions are:

<u>Name</u>	<u>Position</u>	<u>Period of Appointment</u>
Darryl Watkins	Divisional Secretary	1 April 2005 to 31 March 2006
Tom Snowball	Divisional Assist. Secretary	1 April 2005 to 31 March 2006
Jo-Ann Davidson	Divisional President	1 April 2005 to 31 March 2006
Joann Kailanen	Divisional Vice President	1 April 2005 to 22 March 2006
	Jetstar Team Coordinator	22 March 2006 to 31 March 2006
Marnie Sluice	QLD Branch Secretary	1 April 2005 to 15 October 2005
Carol Franklin	NSW Branch Secretary	1 April 2005 to 15 October 2005
	Qantas Team Coordinator	22 Nov. 2005 to 31 March 2006
Wayne Middleton	VIC Branch Secretary	1 April 2005 to 15 October 2005
Janine McCabe	WA Branch Secretary	1 April 2005 to 15 October 2005
Rebecca Warren	Virgin Blue Team Coordinator	22 Nov. 2005 to 31 March 2006
Brett Inman	Eastern/Sunstate Team Coordinator	22 March 2006 to 31 March 2006

**NOTE 18: SEGMENT REPORTING**

The Flight Attendants' Association of Australia - Domestic/Regional Division operates in the area of Aviation Industrial Relations primarily within Australia.



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

**NOTE 19: CASH FLOW INFORMATION**

	2006 \$	2005 \$
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Balance Sheet as follows:		
Cash on hand	3,500	3,500
Cash at bank	647,607	369,164
At call deposits with financial institutions	<u>130,952</u>	<u>124,654</u>
	<u>782,059</u>	<u>497,318</u>
(b) Reconciliation of cash flow from operations with surplus for the period		
Surplus for the period	203,863	246,515
Non-cash flows in surplus for the period		
Depreciation	45,268	44,259
Net (gain) / loss on disposal of property, plant and equipment	-	10,032
Changes in assets and liabilities		
Decrease in receivables	3,387	2,645
(Increase)/decrease in other assets	1,924	(14,574)
Increase in inventories	(12,334)	-
Decrease in welfare reserve	(99)	(1,058)
Increase in payables	27,553	29,056
Increase in provisions	<u>33,979</u>	<u>28,315</u>
Cash flows from operations	<u>303,541</u>	<u>345,190</u>
(c) Credit stand-by arrangement and loan facilities		
Credit facilities	<u>10,000</u>	<u>10,000</u>

**NOTE 20: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2006

NOTE 20: FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:								
Cash	2.71	1.70	130,952	124,654	647,607	369,164	3,500	3,500
Receivables	3.00	3.00	8,483	8,236	-	-	26,226	29,860
Total Financial Assets			<u>139,435</u>	<u>132,890</u>	<u>647,607</u>	<u>369,164</u>	<u>29,726</u>	<u>33,360</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	144,166	116,613
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,166</u>	<u>116,613</u>

	Total	
	2006 \$	2005 \$
Financial Assets:		
Cash	782,059	497,318
Receivables	<u>34,709</u>	<u>38,096</u>
Total Financial Assets	<u>816,768</u>	<u>535,414</u>
Financial Liabilities:		
Trade and sundry creditors	<u>144,166</u>	<u>116,613</u>
Total Financial Liabilities	<u>144,166</u>	<u>116,613</u>

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the income statement and notes to the financial report.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

**(c) Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**NOTE 21: TRANSITION TO AIFRS**

For all the periods up to and including the year ended 31 March 2005, the entity prepared its financial statements in accordance with Australian generally accounting practices (AGAAP). These financial statements for the year ended 31 March 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, there has been no adjustments or restatement of balances for the year ended 31 March 2005.

**NOTE 22: UNION DETAILS**

The principal place of operation of the union is:  
Flight Attendants' Association of Australia - Domestic/Regional  
Division  
Unit 18  
538 Gardeners Road  
ALEXANDRIA NSW 2015

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
**ABN 72 742 734 217**


**STATEMENT BY COMMITTEE OF MANAGEMENT**

I, Darryl Watkins, being the designated officer of Flight Attendants' Association of Australia - Domestic/Regional Division state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on 5<sup>th</sup> July 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 3 to 20 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 3 to 20 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Flight Attendants' Association of Australia - Domestic/Regional Division for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 31 March 2006:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
  - b. the financial affairs of Flight Attendants' Association of Australia - Domestic/Regional Division have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of Flight Attendants' Association of Australia - Domestic/Regional Division have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of Flight Attendants' Association of Australia - Domestic/Regional Division or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Designated Officer

  
Darryl Watkins (Divisional Secretary)

Dated this

5<sup>th</sup> JULY 2006

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**

**Scope**

**The financial report and Divisional Executive's responsibility**

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the Statement by Committee of Management for Flight Attendants' Association of Australia - Domestic/Regional Division, for the year ended 31 March 2006.

The Divisional Executive is responsible for the preparation and true and fair presentation of the financial report, in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit approach**

We conducted an independent audit in order to express an opinion to the members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form opinion whether, in all material respects, the financial report is presented fairly, in accordance with the Workplace Relations Act 1996 and Accounting Standards in Australia so as to present a view which is consistent with our understanding of the entity's financial position, and of its performance as represented by the results of its operations, its changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Divisional Executive.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## Audit Opinion

In our opinion, the financial report of Flight Attendants' Association of Australia - Domestic/Regional Division is presents fairly the financial position of Flight Attendants' Association of Australia - Domestic/Regional Division as at 31 March 2006 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

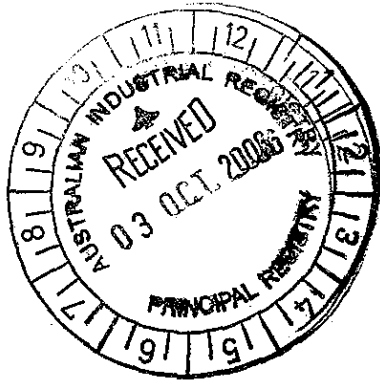
- a) the Australian Accounting Standards; and
- b) the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

*BGL & Associates*

BGL & Associates  
Chartered Accountants  
Suite One, Ground Floor,  
598 St Kilda Road  
MELBOURNE VIC 3004

*I. A. Hinds*

I. A. Hinds - A.C.A.  
Partner  
Melbourne, 7 July 2006



**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
ABN 72 742 734 217

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2006**

**BGL & ASSOCIATES**  
Chartered Accountants  
Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004  
PO Box 6094 St Kilda Road Central VIC 8008  
Tel: (03) 9525 2511 Fax: (03) 9525 2829  
Email: [bgl@bglassociates.com.au](mailto:bgl@bglassociates.com.au)

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**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS**

**Information on Flight Attendants' Association of Australia - Domestic/Regional Division Concise Financial Report**

The concise financial report is an extract from the full report for the year ended 31 March 2006. The financial statements and disclosures in the concise financial report have been derived from the 2006 financial report of Flight Attendants' Association of Australia - Domestic/Regional Division.

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Flight Attendants' Association of Australia - Domestic/Regional Division financial statements and the information contained in the concise financial report has been derived from the full 2006 Financial Report of Flight Attendants' Association of Australia - Domestic/Regional Division.

**Income Statement:**

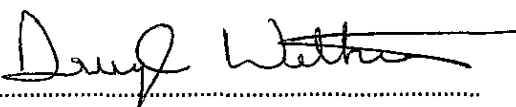
The surplus from ordinary activities attributable to members for the year is \$203,863 compared to a surplus of \$245,515 in 2005. This reduction in the surplus compared to last year is mainly due to revenue by growing only 15% since 2005 while expenses have increased by 21% over the same period. The significant increase in expenses was due to the cost of new IR campaigns and legal cases initiated on behalf of members.

**Balance Sheet:**

Our balance sheet position continues to remain strong with net asset position improving by 18.6%. Cash and cash equivalents are higher than 2005 due to positive cash inflows from subscription payments. Total assets increased by \$265,296 or 20% while total liabilities increased by \$61,532 or 26.5% mainly due to increase in provision of leave entitlements. As a consequence members fund increased by \$203,764 from the 2005 year.

**Cash Flow Statement:**

Our cash flow and liquidity continues to strengthen with the cash position growing by \$284,741 (57%). Cash assets increased from \$497,318 as at 31 March 2005 to \$782,059 as at 31 March 2006. Cash flows from operations reduced by 12% during the year from a surplus cash of \$345,190 in 2005 to a surplus of cash of \$303,541 in 2006. This reduction was mainly a result of the increase in overall payments.

Designated Officer ..... 

Darryl Watkins (Divisional Secretary)

Dated: 5<sup>th</sup> JULY 2006

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
**ABN 72 742 734 217**

**OPERATING REPORT**

Your Divisional Executive present the report on the union for the financial year ended 31 March 2006.

**Members of Divisional Executive**

The names of the members of the Divisional Executive in office at any time during or since the end of the financial year are:

<u>Name</u>	<u>Position</u>	<u>Period of Appointment</u>
Darryl Watkins	Divisional Secretary	1 April 2005 to 31 March 2006
Tom Snowball	Divisional Assist. Secretary	1 April 2005 to 31 March 2006
Jo-Ann Davidson	Divisional President	1 April 2005 to 31 March 2006
Joann Kailanen	Divisional Vice President	1 April 2005 to 22 March 2006
	Jetstar Team Coordinator	22 March 2006 to 31 March 2006
Marnie Sluice	QLD Branch Secretary	1 April 2005 to 15 October 2005
Carol Franklin	NSW Branch Secretary	1 April 2005 to 15 October 2005
	Qantas Team Coordinator	22 Nov. 2005 to 31 March 2006
Wayne Middleton	VIC Branch Secretary	1 April 2005 to 15 October 2005
Janine McCabe	WA Branch Secretary	1 April 2005 to 15 October 2005
Rebecca Warren	Virgin Blue Team Coordinator	22 Nov. 2005 to 31 March 2006
Brett Inman	Eastern/Sunstate Team Coordinator	22 March 2006 to 31 March 2006

**Operating Results**

The surplus of the union for the financial year amounted to \$203,863.

**Review of Operations**

A review of the operations of the union during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

No significant changes in the state of affairs of the entity occurred during the financial year.

**Principal Activity**

The principal activity of the union during the financial year was promoting union activities in the aviation sector.

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

**After Balance Date Events**

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

**Union's Details**

The Union has 8 (2005: 9) full-time staff and 19 (2005: 19) other staff at 31 March 2006.

The number of members at 31 March 2006 was 4,050 (2005: 3,842).

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

OPERATING REPORT (continued)

**Rights of members to resign**

Members may resign from the union in accordance with rule 36, which reads as follow:

"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 no earlier than the day when the member ceases to be eligible to become a member;whichever is later; 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 later.
- (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 effected 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."

**Directorships of Superannuation Fund**

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Flight Attendants' Association of Australia - Domestic/Regional Division is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

Signed in accordance with a resolution of the Divisional Executive:

Designated Officer .....

  
Darryl Watkins (Divisional Secretary)

Dated this

5<sup>th</sup> July 2006

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 \$	2005 \$
Revenues	4	<u>1,863,953</u>	<u>1,619,329</u>
Administration & Other expenses		(117,625)	(158,400)
Office equipment and furniture		(67,408)	(56,625)
Industrial expenses		(321,040)	(301,311)
Legal and professional fees		(155,137)	(62,569)
Rent and occupancy expenses		(71,868)	(73,799)
Salaries and related expenses		(923,140)	(715,158)
Vehicle expenses		<u>(3,872)</u>	<u>(4,952)</u>
		<u>(1,660,090)</u>	<u>(1,372,814)</u>
Surplus for the period		<u>203,863</u>	<u>246,515</u>
Surplus attributable to members of the entity		<u>203,863</u>	<u>246,515</u>

The accompanying notes form part of this concise financial report.

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
 ABN 72 742 734 217

BALANCE SHEET  
 AS AT 31 MARCH 2006

	2006 \$	2005 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	782,059	497,318
Trade and other receivables	34,709	38,096
Inventories	12,334	-
Other	<u>23,265</u>	<u>25,189</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>852,367</b></u>	<u><b>560,603</b></u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<u>739,246</u>	<u>765,714</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>739,246</b></u>	<u><b>765,714</b></u>
<b>TOTAL ASSETS</b>	<u><b>1,591,613</b></u>	<u><b>1,326,317</b></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	144,166	116,613
Provisions	<u>82,698</u>	<u>63,516</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>226,864</b></u>	<u><b>180,129</b></u>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	<u>66,484</u>	<u>51,687</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u><b>66,484</b></u>	<u><b>51,687</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>293,348</b></u>	<u><b>231,816</b></u>
<b>NET ASSETS</b>	<u><b>1,298,265</b></u>	<u><b>1,094,501</b></u>
<b>MEMBERS' FUND</b>		
Reserves	385,049	380,148
Accumulated surplus	<u>913,216</u>	<u>714,353</u>
<b>TOTAL MEMBERS' FUND</b>	<u><b>1,298,265</b></u>	<u><b>1,094,501</b></u>

The accompanying notes form part of this concise financial report.

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2006

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	2006 \$	2005 \$
Total equity at the beginning of the financial year	<u>1,094,501</u>	<u>849,044</u>
Surplus for the period	203,863	246,515
Transfer to reserve	<u>(5,000)</u>	<u>-</u>
	198,863	246,515
Net changes in reserve	<u>4,901</u>	<u>(1,058)</u>
Total recognised income and expenses for the year	<u>203,764</u>	<u>245,457</u>
Total equity at the end of the financial year	<u><u>1,298,265</u></u>	<u><u>1,094,501</u></u>

The accompanying notes form part of this concise financial report.

FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION  
ABN 72 742 734 217

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from members	1,994,258	1,718,840
Sundry receipts	32,342	48,955
Welfare fund received/(paid)	(99)	(1,058)
Payments to suppliers and employees	(1,745,521)	(1,437,553)
Interest received	<u>22,561</u>	<u>16,006</u>
Net cash inflows from operating activities	<u>303,541</u>	<u>345,190</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	-	10,455
Payment for property, plant and equipment	<u>(18,800)</u>	<u>(74,543)</u>
Net cash outflows from investing activities	<u>(18,800)</u>	<u>(64,088)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of bank loan	<u>-</u>	<u>(326,242)</u>
Net cash outflows from financing activities	<u>-</u>	<u>(326,242)</u>
Net increase/(decrease) in cash and cash equivalents held	284,741	(45,140)
Cash and cash equivalents at beginning of financial year	<u>497,318</u>	<u>542,458</u>
Cash and cash equivalents at end of financial year	<u><u>782,059</u></u>	<u><u>497,318</u></u>

The accompanying notes form part of this concise financial report.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

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**NOTE 1: BASIC OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report is an extract for the full financial report for the year ended 31 March 2006. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of Flight Attendants' Association of Australia - Domestic/Regional Division.

The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Flight Attendants' Association of Australia - Domestic/Regional Division as the full financial report.

The entity changed its policies on 1 April 2005 to comply with the Australian equivalents to International Financial Reporting Standards ("A-IFRS"). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1: First time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 April 2004 as the date of transition. An explanation of how the transition from superseded polices to A-IFRS has affected the entity's financial position, financial performance and cash flows is discussed at Note 3. The presentation currency used in this financial report is Australian dollars.

A full description of the accounting policies adopted by the entity is provided in the 2006 Financial Statements which form part of the full report.

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

- (1) a member of a reporting unit, or a Registrar, 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).

**NOTE 3: TRANSITION TO A-IFRS**

For all the periods up to and including the year ended 31 March 2005, the entity prepared its financial statements in accordance with Australian generally accounting practices (AGAAP). These financial statements for the year ended 31 March 2006 are the first entity is required to prepare in accordance with AIFRS. Accordingly, the entity has prepared financial statements that comply with AIFRS applicable for the reporting period. In complying with AIFRS, there has been no adjustments or restatement of balances for the year ended 31 March 2005.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2006

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NOTE 4: REVENUE

	2006 \$	2005 \$
<b>Revenue from operating activities</b>		
- members subscription	1,812,635	1,555,988
- rent	15,273	13,818
- other revenue	<u>13,237</u>	<u>30,742</u>
	<u>1,841,145</u>	<u>1,600,548</u>
<b>Revenue from outside operating activities</b>		
- profit on sales of fixed assets	-	2,065
- interest received from other parties	<u>22,808</u>	<u>16,716</u>
	<u>22,808</u>	<u>18,781</u>
Total revenue	<u>1,863,953</u>	<u>1,619,329</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**  
**ABN 72 742 734 217**

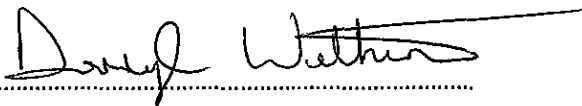
**STATEMENT BY COMMITTEE OF MANAGEMENT**

I, Darryl Watkins, being the designated officer of Flight Attendants' Association of Australia - Domestic/Regional Division state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on 5<sup>th</sup> July 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 4 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 9 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Flight Attendants' Association of Australia - Domestic/Regional Division for the financial year to which they relate;
4. there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 31 March 2006:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches concerned; and
  - b. the financial affairs of Flight Attendants' Association of Australia - Domestic/Regional Division have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of Flight Attendants' Association of Australia - Domestic/Regional Division have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of Flight Attendants' Association of Australia - Domestic/Regional Division or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Designated Officer .....



Darryl Watkins (Divisional Secretary)

Dated

5<sup>th</sup> July 2006

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA - DOMESTIC/REGIONAL DIVISION**

**Scope**

We have audited the concise financial report of Flight Attendants' Association of Australia - Domestic/Regional Division for the year ended 31 March 2006 as set out on pages 4 to 10, in order to express an opinion on it to the members of the entity. The Divisional Executive is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full report of the entity for the year ended 31 March 2006. Our audit report on the full financial report was signed on 7th July 2006, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the concise financial report of Flight Attendants' Association of Australia - Domestic/Regional Division complies with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

*BGL & Associates*

BGL & Associates  
Chartered Accountants  
Suite One, Ground Floor,  
598 St Kilda Road  
MELBOURNE VIC 3004

*I Hinds*

I. A. Hinds - A.C.A.  
Partner  
Melbourne, 7 July 2006