



Australian Government
Australian Industrial Registry

23 January 2009

Mr Michael Mijatov
Divisional Secretary
International Division
Flight Attendants' Association of Australia
20 Ewan Street
MASCOT NSW 2020

By email: info@faaa.net

Dear Mr Mijatov

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2008 – FR2008/528**

I acknowledge receipt of the financial report for the International Division of the Flight Attendants' Association of Australia for the 3 months ended 30 June 2008. The documents were lodged in the Industrial Registry on 22 December 2008.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the report. I make these comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial report already lodged.

1. Recovery of Wages Activity

I note the accounts did not provide information in relation to any recovery of wages activity. The financial reporting obligations regarding the recovery of wages activity is specified in items 16 to 23 and item 25(f) of the Industrial Registrar's Reporting Guidelines.

Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor or by the committee of management declaring that there was no recovery of wages activity for the financial year would satisfy the Reporting Guidelines.

2. Auditor's Report – Audit of the General Purpose Financial Report

Subsection 257(5) of the RAO Schedule requires the auditor to form an opinion as to whether the *general purpose financial report* is presented fairly in accordance with the Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*.

Subsection 253(2) specifies the general purpose financial report must consist of the profit and loss statement, balance sheet, statement of cash flows, notes to the financial statements and any other reports or statements required by the Industrial Registrar's Reporting Guidelines, namely the committee of management statement (Divisional Council's Statement).

Consequently, the audit should include the financial statements, the notes to the financial statements and the Divisional Council's Statement. I note in the auditor's report under the heading entitled "Scope" the auditor stated:

"We have audited the financial report of the Flight Attendants' Association of Australia International Division, for the period 1 April 2008 to 30 June 2008 as set out on pages 1 to 8."

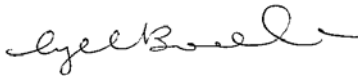
I further note that the Divisional Council's Statement appears on page 11 which suggests that it did not form part of the audit. In future, the audit must be inclusive of this Statement to comply with s257(5).

I request that you forward this letter to your auditor so this matter will be remedied in future financial reports to avoid requests from the Registry for further information and cause delays in the filing of financial documents.

Your attention to both these matters when preparing future financial reports will be much appreciated.

Should you wish to discuss any matters contained in this letter I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at cynthia.lobooth@airc.gov.au.

Yours sincerely,



Cynthia Lo-Booth
Statutory Services Branch

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

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD 1 APRIL 2008 TO
30 JUNE 2008**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD 1 APRIL 2008 TO
30 JUNE 2008
TOGETHER WITH THE REPORT OF THE AUDITORS**

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

**INCOME STATEMENT
FOR THE PERIOD 1 APRIL 2008 TO 30 JUNE 2008**

	Note	2008	31/03/2008
		\$	\$
INCOME			
Advertising		6,364	5,455
Federal Funds		10,075	0
Insurance Claim		0	2,494
Interest received		31,899	94,106
Membership fees		342,660	1,578,402
TOTAL INCOME		390,998	1,680,457
LESS: EXPENSES			
Depreciation			
Building Improvements		4,955	19,769
Computers		3,455	9,163
Equipment		3,377	12,827
Furniture and Fittings		508	1,853
		12,295	43,612
Employee Expenses			
Salaries of officials		24,074	91,435
Salaries of employees		92,068	423,265
Increase/(decrease) in provn for annual leave		12,456	(253)
Increase/(decrease) in provn for LSL		5,889	(11,306)
Superannuation		10,261	45,588
Leave Bank expenses		40,557	110,633
Recruitment		3,016	6,693
Staff Training & Amenities		1,001	6,991
		189,272	673,046
Other Expenses			
Advertising and Promotion		4,091	0
Affiliation fees		5,565	48,673
Auditing fees		14,380	0
Bank charges and merchant fees		4,045	16,891
Building expenses		3,091	28,832
Computers and networks maintenance		13,535	57,658
Consultant fees		21,364	0
Courier		2,484	5,945
Donations		0	1000

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

**INCOME STATEMENT
FOR THE PERIOD 1 APRIL 2008 TO 30 JUNE 2008
CONTINUED**

	2008	31/03/2008
	\$	\$
Electricity	1,513	6,549
General expenses	2,706	50,321
Insurance	16,590	15,263
Interest expense	1,269	6,029
Legal expenses	622	0
Postage	713	5,651
Printing and stationery	11,064	12,705
Small Equipment written off	0	381
Subscriptions	1,054	159
Telephone	7,393	39,807
Travel and accommodation	6,630	31,143
	<u>103,729</u>	<u>342,393</u>
TOTAL EXPENSES	<u>305,296</u>	<u>1,059,051</u>
OPERATING SURPLUS FOR THE YEAR	<u>85,702</u>	<u>621,406</u>

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

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	2008 \$	31/03/2008 \$
CURRENT ASSETS			
Cash at Bank and on hand	3	1,830,301	1,704,474
Other debtors		0	20,000
TOTAL CURRENT ASSETS		<u>1,830,301</u>	<u>1,724,474</u>
NON CURRENT ASSETS			
Land and Building		798,000	798,000
Building improvements, plant and equipment		807,570	815,920
TOTAL NON CURRENT ASSETS		<u>1,605,570</u>	<u>1,613,920</u>
TOTAL ASSETS		<u><u>3,435,871</u></u>	<u><u>3,338,394</u></u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses		47,802	54,239
Provisions		46,664	28,369
TOTAL CURRENT LIABILITIES		<u>94,466</u>	<u>82,608</u>
NON CURRENT LIABILITY			
Building loan		3,573	3,656
TOTAL NON CURRENT LIABILITY		<u>3,573</u>	<u>3,656</u>
TOTAL LIABILITIES		<u><u>98,039</u></u>	<u><u>86,264</u></u>
NET ASSETS		<u><u>3,337,832</u></u>	<u><u>3,252,130</u></u>
MEMBERS' FUNDS			
Accumulated surplus at beginning of year		3,252,130	2,630,724
Surplus for the year		85,702	621,406
MEMBERS' FUNDS AT END OF YEAR		<u><u>3,337,832</u></u>	<u><u>3,252,130</u></u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE PERIOD 1 APRIL 2008 TO 30 JUNE 2008**

	Note	2008 \$	31/03/2008 \$
Opening Balance		3,252,130	2,630,724
Transfer net gain/(loss) on disposal of asset		0	0
Surplus/(deficit) recognised directly in members funds		0	0
Surplus from ordinary activities		85,702	621,406
Total recognised income and expenses for the year Attributable to the Members		<u>85,702</u>	<u>621,406</u>
Closing Balance		<u><u>3,337,832</u></u>	<u><u>3,252,130</u></u>

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2008 TO 30 JUNE 2008**

	Note	2008 \$	31/03/2008 \$
Cash Flow from operating activities			
Membership fees		342,660	1,578,402
Payments to suppliers and employees		(261,143)	(1,048,310)
Interest received		31,899	94,106
Sundry Income		16,439	7,948
Cash provided by operating activities	6	<u>129,855</u>	<u>632,285</u>
Cash Flow from investing activities			
Payments for buildings, plant and equipment		<u>(3,945)</u>	<u>(1,006)</u>
Proceeds from borrowings			
Building loan (repaid)		<u>(83)</u>	<u>(176)</u>
Net increase/(decrease) in cash		125,827	630,964
Add: Cash at beginning of year		1,704,474	1,073,510
Cash at end of year	3	<u><u>1,830,301</u></u>	<u><u>1,704,474</u></u>

The accompanying notes form part of these financial statements

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD 1 APRIL 2008 TO
30 JUNE 2008**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of 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. The accounting policies have been consistently applied, unless otherwise stated.

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

(a) Plant and Equipment

Plant and equipment acquired on restructuring at 31 March 2000 has been accounted for at an independent expert valuation. Additions since then, have been brought to account at cost. Depreciation is calculated on the straight-line basis in order to write the assets off over their estimated useful lives to the Association. Assets costing less than \$1,000 are written off 100% in the year of purchase.

(b) Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. The Long Service Leave entitlements have been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting future cash flows. Contributions are made by the Division to employee superannuation funds and the expense is charged when incurred. Further, there is no Recovery of wages activity for this financial year ending 30 June 2008.

(c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in deposits with banks or financial institutions.

(d) Land and Building

It is not practicable to ascertain the separate values of the land and the building. Therefore, depreciation has not been provided on the building.

(e) Income Tax Expense

No provision for income tax is necessary, as Industrial Trade Unions are exempt from income tax, under Section 50 - 15 of the Income Tax Assessment Act 1997.

(f) Membership Fees

Membership Fees are accounted for on a cash basis.

(g) Building Expenses

This item includes removal expenses, water and council rates, cleaning and security.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD 1 APRIL 2008 TO
30 JUNE 2008 (continued)**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of subsections (1), (2), (3) and (5) of Section 272, which read as follows:

- (1) A member of a reporting unit, or 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. This subsection is a civil penalty provision (see section 305).

- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.

NOTE 3: CASH

	2008	31/03/2008
	\$	\$
Cash on hand	3,500	3,500
Cash at bank	(66,150)	(56,047)
Cash at QSCU	1,271	1,269
Business Online Saver	<u>1,891,680</u>	<u>1,755,752</u>
	<u><u>1,830,301</u></u>	<u><u>1,704,474</u></u>

NOTE 4: NON CURRENT ASSETS

Asset	2008			31/03/2008		
	Valuation or cost	Dep'n \$	Written down value	Valuation or cost	Dep'n \$	Written down value
Building Improvements	797,113	62,537	734,576	798,752	57,641	741,111
Computers	85,692	66,560	19,132	83,565	63,105	20,460
Furniture & Fittings	22,194	6,157	16,037	20,376	5,649	14,727
Office Equipment	79,410	41,585	37,825	77,771	38,149	39,622
Total	<u>984,409</u>	<u>176,839</u>	<u>807,570</u>	<u>980,465</u>	<u>164,544</u>	<u>815,920</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD 1 APRIL 2008 TO
30 JUNE 2008 (continued)**

	2008	31/03/2008
NOTE 5: PROVISIONS	\$	\$
Annual Leave	35,234	22,778
Long Service Leave	11,430	5,591
	<u>46,664</u>	<u>28,369</u>
NOTE 6: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING SURPLUS		
	2008	31/03/2008
	\$	\$
Operating Surplus	85,702	621,406
Non Cash Flows in Operating Surplus		
Depreciation	12,295	43,612
(Profit)/Loss on disposal of plant and equipment	0	1,006
Provision for Employee Entitlements	18,295	(11,559)
Changes in Assets and Liabilities		
Decrease in Sundry Creditors	(6,437)	(26,165)
Decrease in Sundry Debtors	20,000	3,985
Net Cash provided by operating activities	<u>129,855</u>	<u>632,285</u>

OPERATING REPORT

Principal activities

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

The Division's principal activities resulted in maintaining and improving the wages and conditions of Flight Attendants. Enterprise agreements were negotiated with Qantas Airways and Australian Airlines and many members were assisted at disciplinary hearings.

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

In August 2005, the Division purchased, renovated and moved into a building near Sydney Airport. This has resulted in increased convenience for members and a significant saving on rent.

Rights of members to resign

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

36 - RESIGNATION

- (a) A member may resign from membership of the Association by written notice addressed and delivered to the Divisional Secretary.
- (b) A notice of resignation from membership of the Association takes effect:
 - (1) Where a member ceases to be eligible to become a member of the Association:
 - (i) on the day on which the notice is received by the Divisional Secretary;
 - or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is 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).

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

- (f) A resignation from membership of the Association is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

37 - LIABILITY OF FORMER MEMBERS

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

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

Number of members

The number of persons who were, at 30 June 2008, recorded on the Register of Members of the Division was 2623.


Number of employees

The number of persons who were, at 30 June 2008, employees of the Division was 4.

Members of Divisional Council

The persons, who held office during the year ended 30 June 2008, are:

- Michael Mijatov (Secretary)
- Lee Lam (Assistant Secretary)
- Steven Reed (President)
- Vanessa Dunn (Vice President)
- Mark Agar
- Tony Brady
- Stephen Brownlie
- Yvette Childs
- David Horsfall
- Lee Jackson
- Nicholas Kenny


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MICHAEL MIJATOV
17 December 2008


DIVISIONAL COUNCIL'S STATEMENT

At a meeting held on 17 December 2008, the Divisional Council of the Flight Attendants' Association of Australia International Division passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2008.

The Divisional Council of the Flight Attendants' Association of Australia International Division declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 Division for the financial year ended 30 June 2008.
- (d) there are reasonable grounds to believe that the Division will be able to pay its debts as and when they become due and payable:
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Division were held in accordance with the rules of the Division; and
 - (ii) the financial affairs of the Division have been managed in accordance with the rules of the Division;
 - (iii) the financial affairs of the Division have been kept and maintained in accordance with the RAO schedule and the RAO Regulations; and
 - (iv) there have been no instances where records of the Division or other documents [not being documents containing information made available to a member of the Division under Sub-Section 274 [2] of the Workplace Relations Act, 1996], or copies of these records or documents, or copies of the rules of the Division, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act, 1996, the Regulations thereto, or the rules of the Division; and
 - (v) no orders have been made by the Commission under section 273 of the RAO Schedule for inspection of the Division's financial records.

For the Divisional Council of the Flight Attendants' Association of Australia International Division.


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MICHAEL MIJATOV
DIVISIONAL SECRETARY
17 December 2008

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

SCOPE

We have audited the financial report of the Flight Attendants' Association of Australia International Division, for the period 1 April 2008 to 30 June 2008 as set out on pages 1 to 8. The Division's Executive and Accounting Officer are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Division.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with applicable accounting standards, other mandatory professional reporting requirements in Australia and other statutory requirements so as to present a view of the Division which is consistent with our understanding of its financial position and the results of its operations and its cash flows.

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

REPORT

We have received all the information and explanations required for the purposes of our audit.

In our opinion:

The general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996.

CHARTER GROUP
Chartered Accountants



WILLIAM J. WALKER
Institute of Chartered Accountants #72337
Registered Company Auditor
Level 8, 225 Clarence Street
SYDNEY NSW 2000
17 December 2008

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

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Flight Attendants' Association of Australia International Division for the year period 1 April 2008 to 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Flight Attendants' Association of Australia International Division only.

Charter Group



William John Walker
Partner

Sydney
Date: 17 December 2008

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

DESIGNATED OFFICER'S CERTIFICATE

I, Michael Mijatov, being the secretary of the Flight Attendants' Association of Australia International Division certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO schedule; and presented at the Council meeting 17 December 2008; and
2. that the full report be provided to members on 17 December 2008.



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MICHAEL MIJATOV
17 December 2008