



**Australian Government**  
**Registered Organisations Commission**

14 June 2017

Mr Chris Watt  
Federal Secretary  
Independent Education Union of Australia  
By Email: [ieu@ieu.org.au](mailto:ieu@ieu.org.au)

Dear Mr Watt

**Re: Lodgement of Financial Statements and Accounts – Independent Education Union of Australia - for year ended 31 December 2016 (FR2016/416)**

I refer to the financial report for the Independent Education Union of Australia. The report was lodged with the Registered Organisations Commission ('the ROC') on 5 June 2017.

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

Please note the next report may be subject to an advanced review.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect<sup>1</sup> must be included in the GPF. I note that for litigation and other legal matters no such disclosure has been made.<sup>2</sup>

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Reporting Requirements

On the Registered Organisations Commission ('ROC') website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting

<sup>1</sup> Or nil balances as per the model financial statements

<sup>2</sup> See also RG20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions - non-activity disclosure was also omitted

Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

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

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting

# Independent Education Union

Unit 10, 40 Brisbane Avenue  
BARTON ACT 2600  
PO Box 177  
DEAKIN WEST ACT 2600



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5 June 2017

The Commissioner

Registered Organisations Commission

Fair Work Commission

GPO Box 1994

Melbourne VIC 3001

By email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

Dear Commissioner

Please find attached the 2016 Audit for the Independent Education Union of Australia together with the Designated Officer's Certificate in accordance with the Fair Work (Registered Organisations) Act 2009.

Yours sincerely



Chris Watt

Federal Secretary


## Designated Officer's Certificate

Fair Work (Registered Organisations) Act 2009

I, Christopher Gerard Watt being the Federal Secretary of the Independent Education Union of Australia certify:

- That the documents lodged herewith are copies of the full report, for the Independent Education Union of Australia for the period ended 31 December 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members via its publication on the IEUA website at [www.ieu.org.au](http://www.ieu.org.au) on 4 May 2016; and
- That the full report was presented to the IEUA Federal Council on 24 May 2017, having been forwarded to Council members on 27 April 2017, and to the IEUA Federal Executive on 27 April 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009

Signature:



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Name:

Christopher Gerard Watt

Federal Secretary

Date:

5/6/17.

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# Independent Education Union of Australia 2016



## FINANCIAL STATEMENTS 2016

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## Introduction

This document contains a financial report of Independent Education Union of Australia – a reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 31 December 2016.

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued 13 June 2014.

### Australian Accounting Standards applicable as at 31 December 2016

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2015.

In addition, the disclosure requirements of the following Australian Accounting Standards are not applicable to Independent Education Union of Australia and have therefore not been dealt with in the financial report:

*AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards*

*AASB 4 Insurance Contracts*

*AASB 6 Exploration for and Evaluation of Mineral Resources*

*AASB 111 Construction Contracts*

*AASB 129 Financial Reporting in Hyperinflationary Economies*

*AASB 134 Interim Financial Reporting*

*AASB 141 Agriculture*

*AASB 1023 General Insurance Contracts*

*AASB 1038 Life Insurance Contracts*

*AASB 1039 Concise Financial Reports*

*AASB 1049 Whole of Government and General Government Sector Financial Reporting*

*AASB 1050 Administered Items*

*AASB 1051 Land Under Roads*

*AASB 1052 Disaggregated Disclosures*

*AAS 25 Financial Reporting by Superannuation Plans*

*Interpretation 12 Service Concession Arrangements*

*Interpretation 13 Customer Loyalty Programs*

*Interpretation 15 Agreements for the Construction of Real Estate*

*Interpretation 17 Distributions of Non-Cash Assets to Owners*

*Interpretation 107 Introduction of the Euro*

*Interpretation 110 Government Assistance — No Specific Relation to Operating Activities*

*Interpretation 129 Service Concession Arrangements: Disclosures*

*Interpretation 131 Revenue — Barter Transactions Involving Advertising Services*

*Interpretation 132 Intangible Assets — Web Site Costs*

*Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*

*Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry*

*Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations*

*Interpretation 1055 Accounting for Road Earthworks*

## Allowed alternative treatments

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

## Abbreviations

The following abbreviations are used in the model financial report:

|                |  |
|----------------|--|
| AASB           | Australian Accounting Standards Board                        |
| FBT            | Fringe Benefit Tax   |
| GPFR           | General Purpose Financial Report                             |
| GST            | Goods and Services Tax                                       |
| RO Act         | <i>Fair Work (Registered Organisations) Act 2009</i>         |
| RO Regulations | <i>Fair Work (Registered Organisations) Regulations 2009</i> |



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

Principal Phillip W Miller CA  
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Web [www.mcsaudit.com.au](http://www.mcsaudit.com.au)  
ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
INDEPENDENT EDUCATION UNION OF AUSTRALIA  
ABN: 44 401 438 657**

**Report on the Financial Report**

I have audited the accompanying general purpose financial report of the Independent Education Union of Australia for the year ended 31 December 2016, comprising the statement of comprehensive income, statement of financial position as at 31 December 2016, statement of changes in equity, cash flow statement, notes to the financial statements and the committee of management statement.

**Committee's Responsibility for the Financial Report**

The Registered Organisation's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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



## Independence

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

## Auditors Opinion

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

In our opinion, the financial report presents fairly, in all material respects the financial position of the Independent Education Union of Australia as of 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

Name of Firm:  
MCS Audit Pty Ltd

Chartered Accountants  
Authorised Audit Company

Name of Director:

  
Phillip W Miller CA  
Registered Company Auditor  
Public Practice Certificate Holder

Address:

Unit 1/37 Geils Court, Deakin ACT 2600

Dated:

27 April 2017

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER


Certificate for the period ended 31 December 2016

I, John Quessy, being the President of the Independent Education Union of Australia certify:

I, Chris Watt, being the Secretary of the Independent Education Union of Australia certify:

that the documents lodged herewith are copies of the full report<sup>1</sup> for the *Independent Education Union of Australia* for the period ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report<sup>2</sup> was provided to members of the reporting unit on 21<sup>ST</sup> APRIL; and
- that the full report was presented to a general meeting of members OR a meeting of the committee of management<sup>3</sup> of the reporting unit on 27<sup>TH</sup> APRIL in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer:.....CHRISTOPHER WATT

Title of prescribed designated officer:.....FEDERAL SECRETARY

Dated:.....27/4/17

<sup>1</sup> Only applicable where a concise report is provided to members.

<sup>2</sup> Adjust certificate as appropriate to reflect the facts.

<sup>3</sup> Adjust certificate as appropriate to reflect the facts.

## INDEPENDENT EDUCATION UNION OF AUSTRALIA

### OPERATING REPORT

*for the period ended 31<sup>st</sup> December 2016*

The committee presents its report on the reporting unit for the financial year ended 31<sup>st</sup> December 2016.

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

#### Principal Activities

- (1) Support and advice to branches regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's industrial legislation.
- (2) Representation of the industrial and professional interests of the members in a broad range of federal spheres. This includes the ACTU and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests at the Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes.
- (3) Submissions to national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community. Appearance before such inquiries on behalf of the Union and its membership and participation in the public debate on these matters.
- (4) Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work decisions and decisions from other jurisdictions.
- (5) Protection and carriage of the Union's Rules.
- (6) Negotiation and prosecution of claims for improved salaries and conditions for workers on Federal Awards through Fair Pay Commission processes.

#### Results of these Activities

- (1) Sustained membership of the Union's Branches
- (2) A proactive membership industrially and professionally
- (3) Continued public profile of the Union on behalf of teachers and support staff in non-government education
- (4) Improvements in the industrial and professional conditions of the membership.

#### Significant Changes in the Nature of these Activities

- (1) There have been no significant changes in the nature of these activities over the past year

#### Significant changes in financial affairs

- (1) There have been no significant changes in the financial activities over the past year.

#### Right of members to resign

A member may resign from the Union in accord with Rule 21.

##### 21 - RESIGNATION FROM MEMBERSHIP

- (a) A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary.
- (b) A notice of resignation from membership takes effect:
  - (i) Where the member ceases to be eligible to become a member of the Union.
    - (A) on the day on which the notice is received by the Union; or
    - (B) 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
  - (ii) in any other case:
    - (A) at the end of two weeks after the notice is received by the organisation; or
    - (B) on the day specified in the notice;whichever is the later.
- (c) Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (d) A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- (e) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- (f) A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed

in writing by or on behalf of the Union that the resignation has been accepted.

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

|                     |   |
|---------------------|---|
| Debra James         | Federal Council member, Federal Vice President, Secretary IEUA VicTas Branch – Director of Catholic Superannuation Fund                   |
| Cathy Hickey        | Federal Council member - Director NGS Super Fund  |
| Terry Burke         | Federal Council member, Federal Deputy President, Secretary IEUA QNT Branch – Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super |
| John Spriggs        | Federal Council member, Senior Industrial Officer IEUA QNT Branch - Director QIEC Pty. Ltd., the Corporate Trustee of QIEC Super          |
| Chris Seymour       | Industrial Co-ordinator IEUA QNT Branch – Alternate Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super                           |
| Glen Seidel         | Federal Council member, Federal Executive member, Secretary IEU(SA) Branch – Director NGS Super Fund                                      |
| Gloria Taylor       | Federal Council member, Federal Executive member, Deputy Secretary IEUA NSWACT Branch – Director NGS Super Fund                           |
| John Quessy         | Federal Council member, Federal President, Secretary IEUA NSWACT Branch – Alternate Director NGS Super Fund                               |
| Christine Wilkinson | Federal Council member, President IEUA NSWACT Branch – Director NGS Super Fund  |
| Angela Briant       | Federal Council member, Federal Executive member, Secretary IEUA WA Branch – Director Concept One Superannuation Fund                     |

#### Number of members

There were 74,945 members on the register of members on 31<sup>st</sup> December 2016

#### Number of employees

As at 31 December 2016 the number of employees employed on a full-time equivalent basis was 4.4 FTE

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

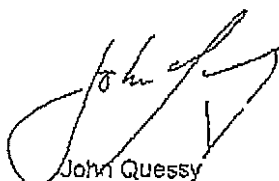
The following persons are on the Federal Executive of the Union. The period of time during the reporting period for which they have held their position is indicated.

|                  |                             |           |
|------------------|-----------------------------|-----------|
| Chris Watt       | Federal Secretary           | 12 months |
| Christine Cooper | Assistant Federal Secretary | 12 months |
| Anthony Odgers   | Assistant Federal Secretary | 12 months |
| John Quessy      | President                   | 12 months |
| Terry Burke      | Deputy President            | 12 months |
| Deb James        | Vice President              | 12 months |
| Glen Seidel      | Vice President              | 12 months |
| Angela Briant    | Delegate                    | 12 months |
| Gloria Taylor    | Delegate                    | 12 months |


The Operating Report for the period ended 31st December 2016 was prepared by Chris Watt, Federal Secretary

Signature:

For Federal Executive:



John Quessy



Chris Watt

Title of office held:

Federal President

Federal Secretary

Dated:

9/3/ 2017

9/3/ 2017

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 31 December 2016

On the 27<sup>th</sup> day of APRIL 2017 the Federal Executive of the Independent Education Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

The Federal Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) No orders where made for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) There was no recovery of wages activities during the financial year.

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

Signature of prescribed designated officer:.....

Name of prescribed designated officer: John Quessey

Title of prescribed designated officer: Federal President

Dated: 27/4/17

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Chris Watt

Title of prescribed designated officer: Federal Secretary

Dated: 27/4/17



INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

STATEMENT OF COMPREHENSIVE INCOME  
for the period ended 31 December 2016

|  | Notes | 2016<br>\$       | 2015<br>\$       |
|--|-------|------------------|------------------|
| <b>Revenue</b>   |       |                  |                  |
| Membership subscription*   |       |                  |                  |
| Capitation fees  | 3A    | 1,189,213        | 1,123,670        |
| Levies   | 3B    | -                | -                |
| Interest   | 3C    | 3,712            | 3,143            |
| Rental revenue   | 3D    | -                | -                |
| Other revenue  | 3E    | 415,986          | 268,924          |
| <b>Total revenue</b>   |       | <b>1,608,911</b> | <b>1,395,737</b> |
| <b>Other Income</b>  |       |                  |                  |
| Grants and/or donations  | 3F    | -                | -                |
| Net gains from sale of assets                                      | 3G    | -                | -                |
| <b>Total other income</b>  |       | <b>-</b>         | <b>-</b>         |
| <b>Total income</b>  |       | <b>1,608,911</b> | <b>1,395,737</b> |
| <b>Expenses</b>  |       |                  |                  |
| Employee expenses  | 4A    | 768,100          | 753,600          |
| Capitation fees  | 4B    | -                | -                |
| Affiliation fees   | 4C    | 580,000          | 426,220          |
| Administration expenses  | 4D    | 263,396          | 233,068          |
| Grants or donations  | 4E    | 20,000           | 12,000           |
| Depreciation and amortisation                                      | 4F    | 964              | 1,430            |
| Finance costs  | 4G    | -                | -                |
| Legal costs  | 4H    | -                | -                |
| Audit fees   | 12    | 4,200            | 3,630            |
| Other expenses   | 4I    | 27,511           | 25,000           |
| <b>Total expenses</b>  |       | <b>1,664,171</b> | <b>1,454,950</b> |
| <b>Profit (loss) for the year</b>                                  |       | <b>(55,260)</b>  | <b>(59,213)</b>  |
| <b>Other comprehensive income</b>                                  |       |                  |                  |
| Items that will not be subsequently reclassified to profit or loss |       | -                | -                |
| Gain on revaluation of land & buildings                            |       | -                | -                |
| <b>Total comprehensive income for the year</b>                     |       | <b>(55,260)</b>  | <b>(59,123)</b>  |

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

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

STATEMENT OF FINANCIAL POSITION  
as at 31 December 2016

|   | Notes | 2016<br>\$      | 2015<br>\$     |
|---|-------|-----------------|----------------|
| <b>ASSETS</b>                           |       |                 |                |
| <b>Current Assets</b>                   |       |                 |                |
| Cash and cash equivalents               | 5A    | 365,226         | 387,449        |
| Trade and other receivables             | 5B    | 2,475           | 2,422          |
| Other current assets                    | 5C    | 5,665           | -              |
| <b>Total current assets</b>             |       | <u>373,366</u>  | <u>389,872</u> |
| <b>Non-Current Assets</b>               |       |                 |                |
| Property, Plant and equipment           | 6     | 3,273           | 4,236          |
| <b>Total non-current assets</b>         |       | <u>3,273</u>    | <u>4,236</u>   |
| <b>Total assets</b>                     |       | <u>376,639</u>  | <u>394,108</u> |
| <b>LIABILITIES</b>                      |       |                 |                |
| <b>Current Liabilities</b>              |       |                 |                |
| Trade payables                          | 7A    | 45,870          | 32,222         |
| Other payables                          | 7B    | 22,548          | 31,478         |
| Employee provisions                     | 8A    | 353,726         | 320,652        |
| <b>Total current liabilities</b>        |       | <u>422,144</u>  | <u>384,352</u> |
| <b>Non-Current Liabilities</b>          |       |                 |                |
| Employee provisions                     | 8A    | -               | -              |
| <b>Total non-current liabilities</b>    |       | <u>-</u>        | <u>-</u>       |
| <b>Total liabilities</b>                |       | <u>422,144</u>  | <u>384,352</u> |
| <b>Net assets</b>                       |       | <u>(45,505)</u> | <u>9,755</u>   |
| <b>EQUITY</b>                           |       |                 |                |
| Current year surplus/ (Deficit)         |       | (55,260)        | (59,213)       |
| Retained earnings (accumulated deficit) | 9     | 9,755           | 68,968         |
| <b>Total equity</b>                     |       | <u>(45,505)</u> | <u>9,755</u>   |

The above statement should be read in conjunction with the notes.  
**INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
 ABN: 44 401 438 657

**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 31 December 2016*

|  | Notes | Retained<br>earnings<br>\$ | Total<br>equity<br>\$ |
|--|-------|----------------------------|-----------------------|
| Balance as at 1 January 2015           |       | 68,968                     | 68,968                |
| Adjustment for errors                  |       | -                          | -                     |
| Profit/(loss) for the year             |       | <u>(59,213)</u>            | <u>(59,213)</u>       |
| Closing balance as at 31 December 2015 |       | 9,755                      | 9,755                 |
| Profit/ (Loss) for the year            |       | <u>(55,260)</u>            | <u>(55,260)</u>       |
| Closing balance as at 31 December 2016 |       | <u>(45,505)</u>            | <u>(45,505)</u>       |

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

CASH FLOW STATEMENT

for the period ended 31 December 2016

|   | Notes | 2016<br>\$      | 2015<br>\$     |
|---|-------|-----------------|----------------|
| <b>OPERATING ACTIVITIES</b>   |       |                 |                |
| <b>Cash received</b>  |       |                 |                |
| Receipts from Operations  | 10B   | 159             | 2,257          |
| Inflows from Related Reporting Entities                               | 10B   | 1,604,988       | 1,654,493      |
| Interest Received   | 10B   | 3,712           | 3,209          |
| <b>Cash Used</b>  |       |                 |                |
| Payments to suppliers and employees                                   | 10B   | (1,631,082)     | (1,552,766)    |
| <b>Net Cash from (used by) operating activities</b>                   | 10A   | <u>(22,223)</u> | <u>107,193</u> |
| <b>INVESTING ACTIVITIES</b>   |       |                 |                |
| <b>Cash used</b>  |       |                 |                |
| Purchase of Plant & Equipment   |       | -               | -              |
| <b>Net cash from (used by) investing activities</b>                   |       | <u>-</u>        | <u>-</u>       |
| <b>Net increase (decrease) in cash held</b>                           | 10A   | <u>(22,223)</u> | <u>107,193</u> |
| Cash & cash equivalents at the beginning of the reporting period      |       | <u>387,449</u>  | <u>280,256</u> |
| <b>Cash &amp; cash equivalents at the end of the reporting period</b> | 5A    | <u>365,226</u>  | <u>387,449</u> |

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

**INDEPENDENT EDUCATION UNION OF AUSTRALIA**

ABN: 44 401 438 657

**RECOVERY OF WAGES ACTIVITY\***

for the period ended 31 December 2016

|   | 2016 | 2015 |
|---|------|------|
|   | \$   | \$   |
| <b>Cash assets in respect of recovered money at beginning of year</b>                         | -    | -    |
| <b>Receipts</b>   |      |      |
| Amounts recovered from employers in respect of wages etc.                                     | -    | -    |
| Interest received on recovered money  | -    | -    |
| <b>Total receipts</b>   | -    | -    |
| <b>Payments</b>   |      |      |
| Deductions of amounts due in respect of membership for:                                       |      |      |
| 12 months or less   | -    | -    |
| Greater than 12 months  | -    | -    |
| Deductions of donations or other contributions to accounts or funds of:                       |      |      |
| The reporting unit:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Name of other reporting unit of the organisation:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Name of other entity:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Deductions of fees or reimbursement of expenses   | -    | -    |
| Payments to workers in respect of recovered money   | -    | -    |
| <b>Total payments</b>   | -    | -    |
| <b>Cash assets in respect of recovered money at end of year</b>                               | -    | -    |
| Number of workers to which the monies recovered relates                                       | -    | -    |
| <b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b> |      |      |
| Payable balance   | -    | -    |
| Number of workers the payable relates to  | -    | -    |
| <b>Fund or account operated for recovery of wages</b>   |      |      |
| <i>[Insert fund or account name. If invested in assets include value of each asset]</i>       | -    | -    |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

## Index to the Notes of the Financial Statements

|         |  |
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| Note 1  | Summary of significant accounting policies                       |
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## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Independent Education Union of Australia is a not-for-profit entity.

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

There has been no accounting assumptions or estimates identified that would indicate any significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### 1.4 New Australian Accounting Standards

#### *Adoption of New Australian Accounting Standard requirements*

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year: *[provide list together with discussion of impact]*

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

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

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

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

*[Insert the impact of applying this amendment or an explanation that the adoption of this amendment did not have an impact on the [reporting unit].*

- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards  
[Insert the impact of applying this amendment or an explanation that the adoption of this amendment did not have an impact on the [reporting unit]].
- *AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in *AASB 10 Consolidated Financial Statements* and *AASB 128 Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.  
[Insert the impact of applying this amendment or an explanation that the adoption of this amendment did not have an impact on the [reporting unit]].

### *Future Australian Accounting Standards Requirements*

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on the Independent Education union of Australia.

### **1.5 Capitation fees/ levies and Member's Subscriptions**

Member's subscriptions are accounted for on an accruals basis, but only receipted subscriptions are recorded in the financial year due to the uncertainty of collectability of unpaid subscriptions at balance date.

### **1.6 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in *AASB 119 Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

### **1.7 Borrowing costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

### **1.8 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.



## 1.9 Financial instruments

Financial assets and financial liabilities are recognised when a [reporting unit] entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 1.10 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### *Fair value through profit or loss*

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

A financial asset is classified as held for trading if:

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

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

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

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

#### *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### *Available-for-sale*

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### *Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

## 1.11 Financial Liabilities

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

### *Fair value through profit or loss*

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

#### *Other financial liabilities*

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

### 1.12 Land, Buildings, Plant and Equipment

#### *Asset Recognition Threshold*

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### *Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

|                     |              |              |
|---------------------|--------------|--------------|
|                     | 2016         | 2015         |
| Plant and equipment | 4 to 5 years | 4 to 5 years |

### 1.13 Taxation

Independent Education Union of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

- for receivables and payables.

#### 1.14 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13D.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The management consider that the carrying values as stated on the statement of Financial Position are a reasonable indication of their Fair Value at Balance date.

#### 1.15 Deficit in Accumulated Funds

Notwithstanding the deficit in accumulated funds, the Union is of the opinion that it will be able to continue to operate as a viable entity. The IEUA Federal Executive have undertaken to implement a course of action in 2017 and 2018 in order to restore the Union's accumulated Funds back to a surplus position. If required, the Union is able to enact Rule 7(d) and strike an additional levy on all IEUA state branches, to be able to accumulate additional funds to meet any shortfall.

## Note 2 Events after the reporting period

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Independent Education Union of Australia

|   | 2016                    | 2015                    |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| <b>Note 3 Income</b>                                    |                         |                         |
| <b>Note 3A: Capitation fees *</b>                       |                         |                         |
| Capitation Fees   | <u>1,189,213</u>        | <u>1,123,670</u>        |
| <b>Total capitation fees</b>                            | <u><b>1,189,213</b></u> | <u><b>1,123,670</b></u> |
| <br>  |                         |                         |
| <b>Note 3B: Levies*</b>                                 |                         |                         |
| Penalty rates reform levy                               | <u>-</u>                | <u>-</u>                |
| <b>Total levies</b>                                     | <u><b>-</b></u>         | <u><b>-</b></u>         |
| <br>  |                         |                         |
| <b>Note 3C: Interest</b>                                |                         |                         |
| Deposits  | <u>3,712</u>            | <u>3,143</u>            |
| <b>Total interest</b>                                   | <u><b>3,712</b></u>     | <u><b>3,143</b></u>     |
| <br>  |                         |                         |
| <b>Note 3D: Rental Revenue</b>                          |                         |                         |
| Rental Revue  | <u>-</u>                | <u>-</u>                |
| <b>Total sponsorship revenue</b>                        | <u><b>-</b></u>         | <u><b>-</b></u>         |
| <br>  |                         |                         |
| <b>Note 3E: Other revenues</b>                          |                         |                         |
| Revenue from operating activities                       | <u>415,827</u>          | <u>266,667</u>          |
| Revenue from non-operating activities/Investment Income | <u>159</u>              | <u>2,257</u>            |
| <b>Total other revenues</b>                             | <u><b>415,986</b></u>   | <u><b>268,924</b></u>   |
| <br>  |                         |                         |
| <b>Note 3F: Grants or donations *</b>                   |                         |                         |
| Grants  | <u>-</u>                | <u>-</u>                |
| Donations   | <u>-</u>                | <u>-</u>                |
| <b>Total grants or donations</b>                        | <u><b>-</b></u>         | <u><b>-</b></u>         |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|   | 2016     | 2015     |
|---|----------|----------|
|   | \$       | \$       |
| <b>Note 3G: Net Gains from sale of assets</b> |          |          |
| Net gain on sale of building                  | -        | -        |
| <b>Total net gains from sale of assets</b>    | <u>-</u> | <u>-</u> |

#### **Note 4 Expenses**

##### **Note 4A: Employee expenses\***

###### **Holders of office:**

|   |                |                |
|---|----------------|----------------|
| Wages and salaries                                  | 447,939        | 417,485        |
| Superannuation                                      | 72,080         | 68,387         |
| Leave and other entitlements                        | 89,304         | 102,588        |
| Separation and redundancies                         | -              | -              |
| Other employee expenses                             | -              | -              |
| <b>Subtotal employee expenses holders of office</b> | <u>609,323</u> | <u>588,460</u> |

###### **Employees other than office holders:**

|   |                |                |
|---|----------------|----------------|
| Wages and salaries  | 114,898        | 114,904        |
| Superannuation  | 18,438         | 18,952         |
| Leave and other entitlements  | 25,441         | 31,284         |
| Separation and redundancies   | -              | -              |
| Other employee expenses   | -              | -              |
| <b>Subtotal employee expenses employees other than office holders</b> | <u>158,777</u> | <u>165,140</u> |
| <b>Total employee expenses</b>  | <u>768,100</u> | <u>753,600</u> |

##### **Note 4B: Capitation fees\***

|                              |          |          |
|------------------------------|----------|----------|
| Capitation fees              | -        | -        |
| <b>Total capitation fees</b> | <u>-</u> | <u>-</u> |

##### **Note 4C: Affiliation fees\***

|   |                |                |
|---|----------------|----------------|
| ACTU  | 410,309        | 265,260        |
| International-Education International       | 169,691        | 160,960        |
| <b>Total affiliation fees/subscriptions</b> | <u>580,000</u> | <u>426,220</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|  | 2016           | 2015           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Note 4D: Administration expenses</b>            |                |                |
| Consideration to employers for payroll deductions* | -              | -              |
| Compulsory levies*                                 | -              | -              |
| Fees/allowances - meeting and conferences*         | -              | -              |
| Conference and meeting expenses*                   | 164,501        | 140,250        |
| Office expenses                                    | 50,162         | 41,822         |
| Communication and Website Costs                    | 10,406         | 12,120         |
| Other  | -              | -              |
| <b>Subtotal administration expense</b>             | <u>225,069</u> | <u>194,192</u> |
| Operating lease rentals:                           |                |                |
| Minimum lease payments                             | 38,327         | 38,876         |
| <b>Total administration expenses</b>               | <u>263,396</u> | <u>233,068</u> |

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

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Grants:                              |               |               |
| Total paid that were \$1,000 or less | -             | -             |
| Total paid that exceeded \$1,000     | -             | -             |
| Donations:                           |               |               |
| Total paid that were \$1,000 or less | -             | -             |
| Total paid that exceeded \$1,000     | 20,000        | 12,000        |
| <b>Total grants or donations</b>     | <u>20,000</u> | <u>12,000</u> |

**Note 4F: Depreciation and amortisation**

|                               |            |              |
|-------------------------------|------------|--------------|
| Depreciation                  |            |              |
| Property, plant and equipment | 964        | 1,430        |
| <b>Total depreciation</b>     | <u>964</u> | <u>1,430</u> |

**Note 4G: Finance costs**

|                             |          |          |
|-----------------------------|----------|----------|
| Bank charges                | -        | -        |
| <b>Total other expenses</b> | <u>-</u> | <u>-</u> |

**Note 4H: Legal costs\***

|                          |          |          |
|--------------------------|----------|----------|
| Litigation               | -        | -        |
| Other legal matters      | -        | -        |
| <b>Total legal costs</b> | <u>-</u> | <u>-</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|   | 2016          | 2015          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>Note 4I: Other expenses</b>            |               |               |
| Penalties - via RO Act or RO Regulations* | -             | -             |
| Campaign & Project Costs                  | 27,511        | 25,000        |
| <b>Total other expenses</b>               | <u>27,511</u> | <u>25,000</u> |

## **Note 5 Current Assets**

### **Note 5A: Cash and Cash Equivalents**

|  |                |                |
|--|----------------|----------------|
| Cash at bank                           | 200,883        | 226,746        |
| Cash on hand                           | 200            | 200            |
| Business investment account            | 164,143        | 160,503        |
| <b>Total cash and cash equivalents</b> | <u>365,226</u> | <u>387,449</u> |

### **Note 5B: Trade and Other Receivables**

#### **Receivables from other reporting unit\***

|  |          |          |
|--|----------|----------|
| Other reporting unit                               | -        | -        |
| <b>Total receivables from other reporting unit</b> | <u>-</u> | <u>-</u> |

#### **Less provision for doubtful debts\***

|   |          |          |
|---|----------|----------|
| Other reporting unit                              | -        | -        |
| <b>Total provision for doubtful debts</b>         | <u>-</u> | <u>-</u> |
| <b>Receivable from other reporting unit (net)</b> | <u>-</u> | <u>-</u> |

#### **Other receivables:**

|  |              |              |
|--|--------------|--------------|
| Sundry Debtors and membership fees receivable  | 59           | 165          |
| Trade Debtors                                  | 2,416        | 2,257        |
| <b>Total other receivables</b>                 | <u>2,475</u> | <u>2,422</u> |
| <b>Total trade and other receivables (net)</b> | <u>2,475</u> | <u>2,422</u> |

### **Note 5C: Other Current Assets**

|                                   |              |          |
|-----------------------------------|--------------|----------|
| Prepayment                        | 5,665        | -        |
| <b>Total other current assets</b> | <u>5,665</u> | <u>-</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.



|      |      |
|------|------|
| 2016 | 2015 |
| \$   | \$   |

**Note 6 Non-current Assets –Property, Plant and equipment**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Furniture & Fittings             |              |              |
| at cost                          | 9,546        | 9,546        |
| accumulated depreciation         | (8,138)      | (7,973)      |
| <b>Total plant and equipment</b> | <b>1,408</b> | <b>1,573</b> |

**Reconciliation of the Opening and Closing Balances of Furniture and Fittings**

|   |              |              |
|---|--------------|--------------|
| <b>As at 1 January</b>                                  |              |              |
| Gross book value  | 9,546        | 9,546        |
| Accumulated depreciation and impairment                 | (7,973)      | (7,639)      |
| <b>Net book value 1 January</b>                         | <b>1,573</b> | <b>1,907</b> |
| Additions:  | -            | -            |
| Depreciation expense                                    | (165)        | (334)        |
| <b>Net book value 31 December</b>                       | <b>1,408</b> | <b>1,573</b> |
| <b>Net book value as of 31 December represented by:</b> |              |              |
| Gross book value  | 9,546        | 9,546        |
| Accumulated depreciation and impairment                 | (8,138)      | (7,973)      |
| <b>Net book value 31 December</b>                       | <b>1,408</b> | <b>1,573</b> |

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Office Equipment                 |              |              |
| at cost                          | 13,596       | 13,596       |
| accumulated depreciation         | (11,731)     | (10,932)     |
| <b>Total plant and equipment</b> | <b>1,865</b> | <b>2,664</b> |

**Reconciliation of the Opening and Closing Balances of Office Equipment**

|   |              |              |
|---|--------------|--------------|
| <b>As at 1 January</b>                                  |              |              |
| Gross book value  | 13,596       | 12,078       |
| Accumulated depreciation and impairment                 | (10,932)     | (9,836)      |
| <b>Net book value 1 July</b>                            | <b>2,664</b> | <b>2,242</b> |
| Additions:  | -            | 1,518        |
| Depreciation expense                                    | (799)        | (1,096)      |
| <b>Net book value 31 December</b>                       | <b>1,865</b> | <b>2,664</b> |
| <b>Net book value as of 31 December represented by:</b> |              |              |
| Gross book value  | 13,596       | 13,596       |
| Accumulated depreciation and impairment                 | (11,731)     | (10,932)     |
| <b>Net book value 31 December</b>                       | <b>1,865</b> | <b>2,664</b> |

Note 7 Current Liabilities

Note 7A: Trade payables

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | \$            | \$            |
| Trade creditors and accruals                     | 45,870        | 32,222        |
| <b>Subtotal trade creditors</b>                  | <u>45,870</u> | <u>32,222</u> |
| <b>Payables to other reporting unit*</b>         |               |               |
| Other reporting unit                             | -             | -             |
| <b>Subtotal payables to other reporting unit</b> | <u>-</u>      | <u>-</u>      |
| <b>Total trade payables</b>                      | <u>45,870</u> | <u>32,222</u> |

Settlement is usually made within 30 days.

Note 7B: Other payables

|                             |               |               |
|-----------------------------|---------------|---------------|
| GST payable                 | 22,548        | 31,478        |
| <b>Total other payables</b> | <u>22,548</u> | <u>31,478</u> |

Note 8: Employee Provisions\*

Office Holders:

|                              |         |         |
|------------------------------|---------|---------|
| Annual leave                 | 80,759  | 83,686  |
| Long service leave           | 253,987 | 219,320 |
| Separations and redundancies | -       | -       |
| Other                        | -       | -       |

**Subtotal employee provisions—office holders**

334,746      303,006

Employees other than office holders:

|                              |        |        |
|------------------------------|--------|--------|
| Annual leave                 | 10,619 | 14,334 |
| Long service leave           | 8,361  | 3,312  |
| Separations and redundancies | -      | -      |
| Other                        | -      | -      |

**Subtotal employee provisions—employees other than office holders**

18,980      17,646

**Total employee provisions**

18,980      17,646

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Current                          | 353,726        | 320,652        |
| Non-Current                      | -              | -              |
| <b>Total employee provisions</b> | <u>353,726</u> | <u>320,652</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|                                  | 2016            | 2015         |
|----------------------------------|-----------------|--------------|
|                                  | \$              | \$           |
| <b>Note 9 Equity</b>             |                 |              |
| <b>Note 9A: Funds</b>            |                 |              |
| Retained earnings                |                 |              |
| Balance as at start of year      | 9,755           | 68,968       |
| Current year earnings/(loss)     | (55,260)        | (59,213)     |
| Adjustment for errors            | -               | -            |
| <b>Balance as at end of year</b> | <u>(45,505)</u> | <u>9,755</u> |

**Note 9B: Other Specific disclosures - Funds\***

**Compulsory levy/voluntary contribution fund – if invested in assets**

-                      -

**Other fund(s) required by rules**

|                                  |          |          |
|----------------------------------|----------|----------|
| Balance as at start of year      | -        | -        |
| Transferred to reserve           | -        | -        |
| Transferred out of reserve       | -        | -        |
| <b>Balance as at end of year</b> | <u>-</u> | <u>-</u> |

**Note 10 Cash Flow**

**Note 10A: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

**Cash and cash equivalents as per:**

|                     |          |          |
|---------------------|----------|----------|
| Cash flow statement | 365,226  | 387,449  |
| Balance sheet       | 365,226  | 387,449  |
| <b>Difference</b>   | <u>-</u> | <u>-</u> |

**Reconciliation of profit/(deficit) to net cash from operating activities:**

|                               |          |          |
|-------------------------------|----------|----------|
| Profit/(deficit) for the year | (55,260) | (59,123) |
| Prior year adjustment         | -        | -        |

**Adjustments for non-cash items**

|                           |     |       |
|---------------------------|-----|-------|
| Depreciation/amortisation | 964 | 1,430 |
|---------------------------|-----|-------|

**Changes in assets/liabilities**

|  |                 |                |
|--|-----------------|----------------|
| Increase/(decrease) in GST Payable                   | (8,930)         | 7,585          |
| (Increase)/decrease in Trade Debtors and prepayments | (5,718)         | 117,831        |
| Increase/(decrease) in Trade Creditors               | 13,648          | 7,074          |
| Increase/(decrease) in employee provisions           | 33,073          | 32,485         |
| <b>Net cash from (used by) operating activities</b>  | <u>(22,223)</u> | <u>107,193</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|      |      |
|------|------|
| 2016 | 2015 |
| \$   | \$   |

**Note 10B: Cash flow information\***

|   |                  |                  |
|---|------------------|------------------|
| Cash inflows                            |                  |                  |
| Inflows from Related Reporting Entities | 1,604,988        | 1,654,493        |
| Interest Received                       | 3,712            | 3,209            |
| Revenue from Operations                 | 159              | 2,257            |
| <b>Total cash inflows</b>               | <b>1,608,859</b> | <b>1,659,959</b> |
| Cash outflows                           |                  |                  |
| Suppliers and Employees                 | 1,631,082        | 1,552,766        |
| <b>Total cash outflows</b>              | <b>1,631,082</b> | <b>1,552,766</b> |

**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Transactions with related parties-State Branches of the Independent Education Union

Capitation fees charged to branches and Associated Entities (Accrual basis)

| Branches | Capitation Fees<br>(Net of GST) | ACTU Levy |
|----------|---------------------------------|-----------|
| NSW/ACT  | 474,422                         | 165,889   |
| VIC/TAS  | 305,206                         | 106,720   |
| S.A.     | 59,774                          | 20,901    |
| QLD      | 271,621                         | 94,976    |
| W.A.     | 78,191                          | 27,341    |

Reimbursement of Various Expenses from Branch's not included.

\*As required by the Reporting Guidelines. Item to remain even if 'nil'

|  | 2016 | 2015 |
|--|------|------|
|  | \$   | \$   |

**Note 11B: Key Management Personnel Remuneration**

|   |                |                |
|---|----------------|----------------|
| <b>Short-term Employee Benefits</b>                   |                |                |
| Salary(Including annual leave taken)                  | 503,792        | 495,175        |
| Annual Leave accrued                                  | (2,927)        | (4,077)        |
| Performance bonus                                     | -              | -              |
| <b>Total short-term Employee Benefits</b>             | <u>500,865</u> | <u>491,098</u> |
| <b>Post-Employment benefits</b>                       |                |                |
| Superannuation  | 72,080         | 68,387         |
| <b>Total Post-employment Benefits</b>                 | <u>72,080</u>  | <u>68,387</u>  |
| <b>Other Long-term Benefits</b>                       |                |                |
| Long-service Leave (accrued)                          | 34,667         | 20,196         |
| <b>Total Other Long-term Benefits</b>                 | <u>34,667</u>  | <u>20,196</u>  |
| <b>Total Remuneration to Key Management Personnel</b> | <u>607,612</u> | <u>585,681</u> |

**Note 11C: Transactions with key management personnel and their close family members**

There were no loans or other transactions between the reporting entity and its key management employee during the reporting period

**Note 12 Remuneration of Auditors**

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| <b>Value of the services provided</b> |              |              |
| Financial statement audit services    | 4,000        | 3,630        |
| Other services                        | 200          | 220          |
| <b>Total remuneration of auditors</b> | <u>4,200</u> | <u>3,850</u> |

**Note 13 Financial Instruments**

**Note 13A: Categories of Financial Instruments**

**Financial Assets**

|  |                |                |
|--|----------------|----------------|
| <b>Cash and cash equivalent:</b>           |                |                |
| Cash at bank                               | 365,226        | 387,449        |
| <b>Total</b>                               | <u>365,226</u> | <u>387,449</u> |
| <b>Short term investments:</b>             |                |                |
| Bank deposits                              | -              | -              |
| <b>Total</b>                               | <u>-</u>       | <u>-</u>       |
| <b>Receivables:</b>                        |                |                |
| Trade debtors                              | 2,475          | 2,422          |
| <b>Total</b>                               | <u>2,475</u>   | <u>2,422</u>   |
| <b>Carrying amount of financial assets</b> | <u>367,701</u> | <u>389,872</u> |

|   | 2016          | 2015          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>Financial Liabilities</b>                    |               |               |
| Other payables                                  | 22,548        | 31,478        |
| Trade creditors                                 | 45,870        | 32,222        |
| <b>Total</b>                                    | <u>68,418</u> | <u>63,700</u> |
| <i>Carrying amount of financial liabilities</i> | <u>68,418</u> | <u>63,700</u> |

#### **Note 13B: Net Income and Expense from Financial Assets**

**Short term investment**  
 Interest revenue  
 Net gain/(loss) short term investments  
 Net gain/(loss) from financial assets

#### **Note 13C: Net Income and Expense from Financial Liabilities**

The net income/expense from financial liabilities not at fair value from profit and loss is \$ 0 (2015: \$ 0).

#### **Note 13D: Financial Risk Management**

##### **Financial Risk Management Policies**

The Branch's financial instruments consist mainly of deposits with banks, short and long-term investments, Accounts receivable and accounts payable.

The main risks arising from the Branch's financial instruments are liquidity risk, credit risk and market price risk. The Branch does not use derivative instruments to manage risks associated with its financial instruments.

The Branch Council have overall responsibility for risk management, including risks associated with financial instruments.

This note presents information about the Branch's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk.

##### **Specific Financial Risk Exposures and Management**

###### **a. Credit Risk**

Credit risk is the risk of financial loss to the Branch if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

##### **Credit Risk Exposures**

The carrying amount of the Branch's financial assets best represents its maximum credit risk exposure. The Branch's maximum exposure to credit risk \$367,701.

## b. Liquidity Risk

Liquidity risks the risk that the Branch will not be able to fund its obligations as they fall due. The following are the contractual maturities of financial assets and liabilities

### Contractual maturities for financial liabilities 2016

|  | On Demand | < 1 year<br>\$ | 1– 2<br>years<br>\$ | 2– 5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$ |
|--|-----------|----------------|---------------------|---------------------|----------------|-------------|
| Trade and other payables(including estimated annual leave and deferred income) | -         | 422,144        | -                   | -                   | -              | 422,144     |
| Total  | -         | 422,144        | -                   | -                   | -              | 422,144     |
| Cash and Cash Equivalents  | -         | 365,226        | -                   | -                   | -              | 365,226     |
| Trade and Others Receivables   | -         | 8,140          | -                   | -                   | -              | 8,140       |
| Total anticipated inflows  | -         | 373,366        | -                   | -                   | -              | 373,366     |
| Net inflow/(Outflow) on financial instruments                                  | -         | (48,778)       | -                   | -                   | -              | (48,778)    |

### Contractual maturities for financial liabilities 2015

|  | On Demand | < 1 year<br>\$ | 1– 2<br>years<br>\$ | 2– 5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$ |
|--|-----------|----------------|---------------------|---------------------|----------------|-------------|
| Trade and other payables(including estimated annual leave and deferred income) | -         | 384,353        | -                   | -                   | -              | 384,353     |
| Total  | -         | 384,353        | -                   | -                   | -              | 384,353     |
| Cash and Cash Equivalents  | -         | 387,449        | -                   | -                   | -              | 387,449     |
| Trade and Others Receivables   | -         | 2,422          | -                   | -                   | -              | 2,422       |
| Total anticipated inflows  | -         | 389,871        | -                   | -                   | -              | 389,871     |
| Net inflow on financial instruments  | -         | 5,518          | -                   | -                   | -              | 5,518       |

## c. Market Risk

### i: Interest rate risk

Reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed assets. Such risk is managed through diversification of investments across asset classes.

## Note 14 Fair Value Measurement – Financial Assets and Liabilities

Management of the Independent Education Union of Australia assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties.

The following table contains the carrying amounts and related fair values the Independent Education Union of Australia's financial assets and liabilities:

|                              | Fair value<br>2016 | Fair value<br>2015 |
|------------------------------|--------------------|--------------------|
| <b>Financial Assets</b>      | <b>\$</b>          | <b>\$</b>          |
| Cash at bank                 | 365,226            | 387,449            |
| Short term deposits          | -                  | -                  |
| Trade debtors & Receivables  | 2,475              | 2,422              |
| <b>Total</b>                 | <b>367,701</b>     | <b>389,871</b>     |
| <b>Financial Liabilities</b> |                    |                    |
| Other Payables               | 22,548             | 31,478             |
| Trade Creditors              | 45,870             | 32,222             |
| <b>Total</b>                 | <b>68,418</b>      | <b>63,700</b>      |

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The hierarchy consist on the following levels:

### Fair value hierarchy – 31 December 2016

|                                      | Level 1   | Level 2        | Level 3   |
|--------------------------------------|-----------|----------------|-----------|
| <b>Assets measured at fair value</b> | <b>\$</b> | <b>\$</b>      | <b>\$</b> |
| Available for sale                   | -         | 365,226        | -         |
| Financial assets                     | -         | -              | -         |
| Held to maturity financial assets    | -         | -              | -         |
| <b>Total</b>                         | <b>-</b>  | <b>365,226</b> | <b>-</b>  |

### Fair value hierarchy – 31 December 2015

|                                      | Level 1   | Level 2        | Level 3   |
|--------------------------------------|-----------|----------------|-----------|
| <b>Assets measured at fair value</b> | <b>\$</b> | <b>\$</b>      | <b>\$</b> |
| Available for sale                   | -         | 387,449        | -         |
| Financial assets                     | -         | -              | -         |
| Held to maturity financial assets    | -         | -              | -         |
| <b>Total</b>                         | <b>-</b>  | <b>387,449</b> | <b>-</b>  |

- (1) Quoted prices in active markets identical assets or liabilities (level 1);
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, wither directly (as prices) or indirectly (derived from prices) (level 2);



- (3) Inputs for asset or liability that are not based on observable market data (unobservable inputs) (level 3)

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

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



27 January 2017

The Federal Secretary  
Independent Education Union of Australia  
By Email: [ieu@ieu.org.au](mailto:ieu@ieu.org.au)

Dear Federal Secretary,

**Re: Lodgement of Financial Report - [FR2016/416]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Independent Education Union of Australia (the reporting unit) ended on 31 December 2016.

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

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

#### **The new Registered Organisations Commission**

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

#### **Where to lodge Statements of Loans Grants and Donations and Financial Reports**

|                       | <b>Before the ROC is established</b>   | <b>From establishment of the ROC</b>  |
|-----------------------|--|---|
| <b>Where to lodge</b> | Lodge your statement of loans grants donations and your financial report with the Fair Work Commission | Lodge your statement of loans grants donations and your financial report and with the ROC |
| <b>How to lodge</b>   | The easiest way to lodge is via email: <a href="mailto:orgs@fwc.gov.au">orgs@fwc.gov.au</a>            | Lodgement methods are not yet known   |

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

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Our focus this year: timelines and disclosure of loans, grants and donations

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

### Timelines

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

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

### Fact sheets, guidance notes and model statements

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

### Civil penalties may apply

**It should be noted that s.268 and s.237 are civil penalty provisions.** If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

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

### Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

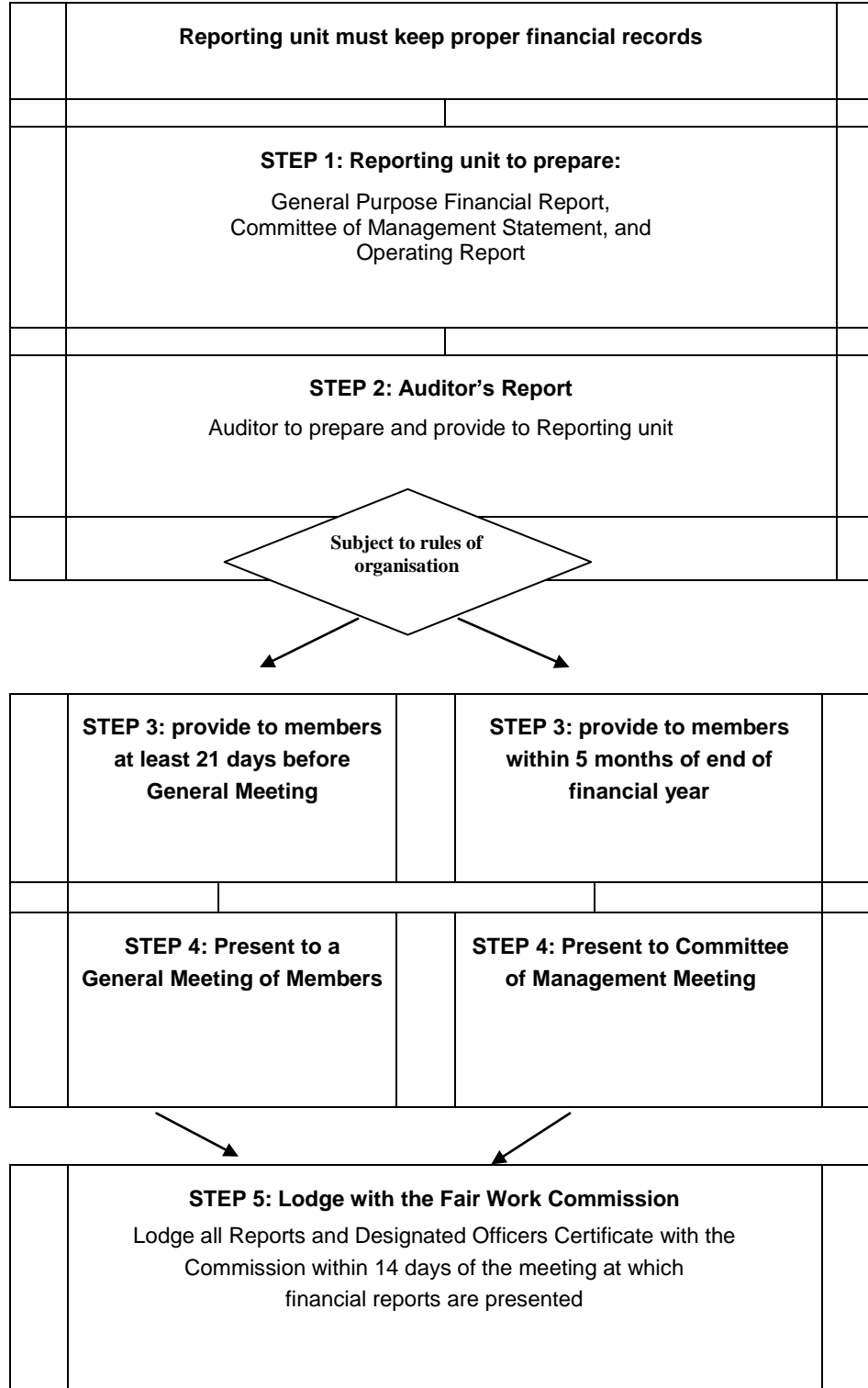


Marianne Kay  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

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

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



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

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

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

## The Loans, Grants & Donations Statement

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







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

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

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

## Common misconceptions

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

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

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

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

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

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

| Grants:                              | 2016     | 2015     |
|--------------------------------------|----------|----------|
| Total paid that were \$1,000 or less | -        | -        |
| Total paid that exceeded \$1,000     | -        | -        |
| Donations:                           |          |          |
| Total paid that were \$1,000 or less | -        | -        |
| Total paid that exceeded \$1,000     | -        | -        |
| <b>Total grants or donations</b>     | <b>-</b> | <b>-</b> |

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

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

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

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

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

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

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