



8 May 2017

Mr John Quessy
Secretary, New South Wales-Australian Capital Territory Branch
Independent Education Union of Australia

By email: john@ieua.asn.au

Dear Mr Quessy

Re: Lodgement of Financial Statements and Accounts - New South Wales-Australian Capital Territory Branch - Independent Education Union of Australia - for year ended 31 December 2016 (FR2016/408)

I refer to the financial report for the New South Wales-Australian Capital Territory Branch of the Independent Education Union of Australia. The report was lodged with the Fair Work Commission on 26 April 2017 but was transferred to the Registered Organisations Commission ('ROC') on 1 May 2017.

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

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 that the financial report for the year ending 31 December 2017 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Registered Organisations Commission ('ROC') website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Documents must be lodged within 14 days of presentation to Meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged within 14 days of the meeting at which the full report is presented for the purposes of section 266. The Designated Officer's Certificate indicated that this meeting occurred on 7

April 2017. If this is correct the full report should have been lodged by no later than 21 April 2017. However, the report was not lodged until 26 April.

Please note that section 268 is a civil penalty provision. If in future financial years the Branch anticipates that it cannot lodge within the prescribed time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 14 day period.

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 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 RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

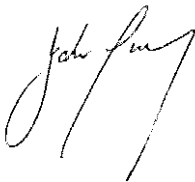
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THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH
s.268 Fair Work (Registered Organisations) Act 2009
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the year ended 31 December 2016

I, John Quessy being the Branch Secretary of the Independent Education Union Australia New South Wales/Australian Capital Territory Branch certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union Australia New South Wales/Australian Capital Territory Branch for the year 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 of the reporting unit on 20 March 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 7 April 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



John Quessy

Branch Secretary

Date: 26th April 2017

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Operating Report for the period 1 January 2016 to 31 December 2016

The Branch Executive (Committee of Management) of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch presents its report for the year ended 31 December 2016.

Review of Principal Activities and Results

The principal activity of the Branch during the year was that of a branch of a registered union of employees. Those activities included, but were not limited to:

- The provision of services to members;
- The representation of members before Fair Work Australia on award matters and disputes; and
- The provision of support for the Federal Union agenda in education, equity and industrial issues.

The Branch's principal activities resulted in:

- Maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our union;
- Growth of our solid membership base in New South Wales/Australian Capital Territory, demonstrating member satisfaction of the support and advice currently provided to them.

There were no significant changes to the nature of the Branch's activities during the year.

Significant Changes in Financial Affairs

As part of an operational change, all staff of New South Wales Independent Education Union were administratively transferred to the Branch effective 1 January 2016 and the Branch assumed responsibility for all expenses in relation to providing services to members and for collecting membership subscription revenue as from 1 July 2016. The New South Wales Independent Education Union would engage the Branch to provide staff support as and when required and subject to a service agreement.

The reporting unit continued to engage in its principal activities, the result of which are disclosed in the attached financial statements.

Right of Members to Resign

In accordance with Rule 21 of the Independent Education Union of Australia, a member may resign from membership by written notice addressed and delivered to the Branch Secretary.

Officers and Employees who are Superannuation Fund Trustees or are Directors of a Company that is a Superannuation Fund Trustee are:

John Quessy	Branch Secretary	Alternative Director of NGS Super Pty Ltd
Gloria Taylor	Branch Deputy Secretary	Director of NGS Super Pty Ltd
Chris Wilkinson	President	Director of NGS Super Pty Ltd

The criterion for being a trustee or director is that officer or employee is an officer or employee of the Branch.

Number of Members

The number of members recorded at the end of the financial year was 31,950.

Number of Employees

The number of employees (on a full time equivalent basis) at the end of the financial year was 71.


Names of Committee of Management Members and the Periods Held During the Financial Year

The following persons held positions on the Committee of Management during the reporting period.

John Quessy	Branch Secretary	Full year
Gloria Taylor	Branch Deputy Secretary	Full year
Carol Matthews	Branch Assistant Secretary	Full year
Mark Northam	Branch Assistant Secretary	Full year
Chris Wilkinson	President	Full year
Louise Glase	Vice President Non-Systemic	Full year
Bernadette Baker	Vice President Systemic	Full year
Gabrielle Connell	Vice President Early Childhood Services	Full year
Carolyn Collins	Vice President Support Staff	Full year
Leah Godfrey	Vice President ACT	Full year
Marie MacTavish	Financial Officer	Full year
Peter Moore	Financial Officer	Full year
Marty Fitzpatrick	General Executive Member	Full year
Michael Hagan	General Executive Member	Full year
Ralph Hunt	General Executive Member	Full year
Denise McHugh	General Executive Member	Full year
Patricia Murnane	General Executive Member	Full year
Patrick Devery	General Executive Member	Full year
John O'Neill	General Executive Member	Full year
Ann Rogers	General Executive Member	Full year
James Jenkins – Flint	General Executive Member	Full year
Tina Ruello	General Executive Member	Full year

Date: 3rd March 2017

Signature of designated officer:



Name of designated officer: John Quessy - Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Committee of Management Statement
for the year ended 31 December 2016**

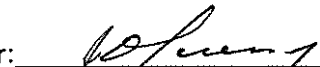
On the 3rd March 2017 the Committee of Management (Branch Executive) of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch (the "IEUA NSW/ACT Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

The IEUA NSW/ACT Branch 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 Fair Work (Registered Organisations) Act 2009 (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;
 - (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
 - (iv) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Date: 3rd March 2017

Signature of prescribed designated officer:  _____

Name of prescribed designated officer: John Quessy -Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Comprehensive Income
for the year ended 31 December 2016**

	Notes	<u>2016</u> \$	<u>2015</u> \$
Revenue			
Membership subscription	3A	5,909,381	-
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	422	-
Other revenue	3E	5,408,001	615,764
Total revenue		<u>11,317,804</u>	<u>615,764</u>
Other Income			
Grants and/or donations	3F	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>11,317,804</u>	<u>615,764</u>
Expenses			
Employee expenses	4A	9,016,529	-
Capitation fees	4B	474,422	449,542
Affiliation fees	4C	227,279	106,822
Administration expenses	4D	1,140,808	57,600
Grants or donations	4E	2,000	-
Finance costs	4F	14,315	-
Legal costs	4G	123,790	-
Audit fees	11	3,600	1,800
Other expenses	4H	437,464	-
Total expenses		<u>11,440,207</u>	<u>615,764</u>
Surplus/ (deficit) for the year		<u>(122,403)</u>	<u>0</u>
Other Comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(122,403)</u>	<u>0</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Financial Position
as at 31 December 2016**

	NOTES	<u>2016</u>	<u>2015</u>
		\$	\$
ASSETS			
Current Assets			
Cash at Bank	5A	1,260,335	11,142
Account Receivables	5B	3,097,994	-
Prepayments and Instalments	5C	33,719	-
Total Current Assets		<u>4,392,048</u>	<u>11,142</u>
Non-Current Assets		-	-
Total Non-current Liabilities		-	-
TOTAL ASSETS		<u>4,392,048</u>	<u>11,142</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	6A	694,774	-
Other Payables	6B	674,572	-
Employee Provisions	7	1,170,246	-
Total Current Liabilities		<u>2,539,592</u>	-
Non-Current Liabilities			
Employee Provisions	7	1,963,718	-
Total Non-current Liabilities		<u>1,963,718</u>	-
TOTAL LIABILITIES		<u>4,503,309</u>	-
NET ASSETS		<u>(111,261)</u>	<u>11,142</u>
EQUITY			
Retained Earnings/(Accumulated Deficit)		<u>(111,261)</u>	<u>11,142</u>
TOTAL EQUITY		<u>(111,261)</u>	<u>11,142</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Changes in Equity
as at 31 December 2016**

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2014		-	11,142	11,142
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2015		-	11,142	11,142
Deficit for the year		-	(122,403)	(122,403)
Other comprehensive income for the year		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2016		-	(111,261)	(111,261)

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Statement of Cash Flows
for the year ended 31 December 2016

	Notes	<u>2016</u> \$	<u>2015</u> \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	8B	5,232,667	615,764
Interest		422	-
Other		6,084,716	-
		<u>11,317,804</u>	
Cash used			
Employees		(8,590,074)	-
Suppliers		(772,294)	(615,764)
Payment to other reporting units/controlled entity(s)	8B	(706,243)	-
Net cash from (used by) operating activities	8A	<u><u>1,249,193</u></u>	<u><u>0</u></u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		<u><u>-</u></u>	<u><u>-</u></u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		<u><u>-</u></u>	<u><u>-</u></u>
Net increase (decrease) in cash held		<u><u>1,249,193</u></u>	<u><u>0</u></u>
Cash & cash equivalents at the beginning of the reporting period		11,142	11,142
Cash & cash equivalents at the end of the reporting period	5A	<u><u>1,260,335</u></u>	<u><u>11,142</u></u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

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for the year ended 31 December 2016**

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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

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 New South Wales/Australian Capital Territory Branch 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 at 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 Accounting Judgements and Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical Judgements in applying the Branch's Accounting Principles

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

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.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

1.4 New Australian Accounting Standards

Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

1.5 Revenue

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

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

Donation income is recognised when it is received. Interest revenue is recognised as received.

1.6 Affiliations, Capitation Fees and Levies

Affiliations, Capitation Fees and Levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which they relate.

1.7 Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave 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) 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 branch in respect of services provided by employees up to reporting date.

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 4 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

1.9 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.10 Impairment of Financial and Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

For certain categories of financial assets such as trade receivables where there is impairment noted the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable it is written off against the allowance account.

1.11 Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Goods and Services Tax (GST).

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

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

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 .

	2016	2015
	\$	\$
Note 3 Income		
Note 3A: Membership subscription		
As disclosed in Note 10A, as part of an operational change during the year the membership fees became payable to the IEUA NSW/ACT Branch as from 1 July 2016. Prior to this the membership fees were payable to the NSW IEU.		
Membership fees-Payroll deduction	4,667,197	-
Membership fees-Non payroll deduction	1,242,184	-
Total membership subscription	<u>5,909,381</u>	<u>-</u>
Note 3B: Capitation fees*		
	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3C: Levies*		
	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3D: Interest		
Deposits	422	-
Loans	-	-
Total interest	<u>422</u>	<u>-</u>
Note 3E: Other revenue		
Service Fee Received		
-New South Wales Independent Education Union	5,232,667	615,764
Publications/ Subscriptions	65,176	-
Advertising	10,601	-
Seminars & Conferences	22,832	-
Private Cars Use Reimbursement	1,289	-
Sitting Fees	53,610	-
Other Income	21,826	-
Total other revenue	<u>5,408,001</u>	<u>615,764</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 3F: Grants or donations*		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	1,857,431	-
Superannuation	372,771	-
Leave and other entitlements	(10,238)	-
Separation and redundancies	-	-
Other employee expenses	112,345	-
Subtotal employee expenses holders of office	<u>2,332,309</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	5,555,880	-
Superannuation	557,688	-
Leave and other entitlements	204,540	-
Separation and redundancies	22,159	-
Other employee expenses	343,953	-
Subtotal employee expenses employees other than office holders	<u>6,684,220</u>	<u>-</u>
Total employee expenses	<u>9,016,529</u>	<u>-</u>
Note 4B: Capitation fees		
Independent Education Union of Australia	474,422	449,542
Total capitation fees	<u>474,422</u>	<u>449,542</u>
Note 4C: Affiliation fees		
Independent Education Union of Australia	165,889	106,822
Union NSW	38,044	-
Union ACT	8,753	-
Welfare Right Centre	13,838	-
Newcastle Trade Hall Council	755	-
Total affiliation fees/subscriptions	<u>227,279</u>	<u>106,822</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	21,576	-
Compulsory levies:		
- Australian Council of Trade Unions - IR Levy	4,542	57,600
Fees/allowances - meeting and conferences	264,043	-
Conference and meeting expenses	196,187	-
Contractors/consultants	29,843	-
Property expenses	112,540	-
Office expenses	149,443	-
Information communications technology	165,047	-
Other	178,189	-
Subtotal administration expenses	<u><u>1,121,410</u></u>	<u><u>57,600</u></u>
Operating lease rentals:		
Lease payments	19,398	-
Total administration expenses	<u><u>1,140,808</u></u>	<u><u>57,600</u></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	2,000	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u><u>2,000</u></u>	<u><u>-</u></u>
Note 4F: Finance costs		
Bank & Credit Card Charges	14,222	-
Interest paid	93	-
Total finance costs	<u><u>14,315</u></u>	<u><u>-</u></u>
Note 4G: Legal costs		
Litigation	123,534	-
Other legal matters	256	-
Total legal costs	<u><u>123,790</u></u>	<u><u>-</u></u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 4H: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Branch Expenditure	60,693	-
Seminars / Conferences	95,504	-
Campaign Costs/Fighting Fund		
-Kopystop Pty Ltd		
- NewsExtra Catholic System Claim	6,930	-
Union Training Courses & Other Services	25,646	-
Teacher Exchange & Member Benefits	768	-
Journal and Publication Costs	234,140	-
Other expenses	13,783	-
Total other expenses	437,464	-
Note 5		
Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,258,635	11,142
Cash on hand	1,700	-
Total cash and cash equivalents	1,260,335	11,142
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]**		
New South Wales Independent Education Union	2,964,493	-
Total receivables from other reporting unit[s]	2,964,493	-
Less provision for doubtful debts*	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	-	-
Other receivables:		
GST receivable from the Australian Taxation Office	122,170	-
Other trade receivables	11,331	-
Total other receivables	133,501	-
Total trade and other receivables (net)	3,097,994	-

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

* *The NSW IEU transferred all its employees to the IEUA NSW/ACT Branch on 1 January 2016. As part of this IEUA NSW/ACT Branch assumed the whole of the NSW IEU employee entitlements liability accrued to the date of the transfer for a consideration of \$2,939,663.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016 \$	2015 \$
Note 5C: Other Current Assets		
Prepayment	14,549	-
FBT instalment	19,170	-
Total other current assets	<u><u>33,719</u></u>	<u><u>-</u></u>
Note 6 Current Liabilities		
Note 6A: Trade payables		
Trade creditors and accruals	654,531	-
Operating lease rentals	4,335	-
Subtotal trade creditors	<u><u>658,866</u></u>	<u><u>-</u></u>
Payables to other reporting unit		
New South Wales Independent Education Union	35,908	-
Subtotal payables to other reporting unit	<u><u>35,908</u></u>	<u><u>-</u></u>
Total trade payables	<u><u>694,774</u></u>	<u><u>-</u></u>
Settlement is usually made within 30 days.		
Note 6B: Other payables		
Consideration to employers for payroll deductions*	-	-
Legal costs*		
- Litigation	-	-
- Other legal matters	-	-
Prepayments received/unearned revenue	339,194	-
GST payable	329,997	-
Paid Parental Leave Payable	5,381	-
Total other payables	<u><u>674,572</u></u>	<u><u>-</u></u>
Total other payables are expected to be settled in:		
No more than 12 months	674,572	-
More than 12 months	-	-
Total other payables	<u><u>674,572</u></u>	<u><u>-</u></u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 7 Provisions		
Note 7A: Employee Provisions		
Office Holders:		
Annual leave	449,254	-
Long service leave	829,666	-
Subtotal employee provisions—office holders	<u>1,278,920</u>	<u>-</u>
Employees other than office holders:		
Annual leave	720,992	-
Long service leave	1,134,052	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>1,855,043</u>	<u>-</u>
Total employee provisions	<u>3,133,963</u>	<u>-</u>
Current	1,170,246	-
Non Current	1,963,718	-
Total employee provisions	<u>3,133,963</u>	<u>-</u>

Note 8 Cash Flow

Note 8A: 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	1,260,335	11,142
Balance sheet	1,260,335	11,142
Difference	<u>-</u>	<u>-</u>

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

Surplus/(deficit) for the year	(122,403)	-
Adjustments for non-cash items		
Depreciation/amortisation	-	-
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(3,097,995)	-
(Increase)/decrease in prepayments	(33,719)	-
Increase/(decrease) in supplier payables	694,774	-
Increase/(decrease) in other payables and unearned income	674,572	-
Increase/(decrease) in employee provisions	3,133,963	-
Net cash from (used by) operating activities	<u>1,249,193</u>	<u>-</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 8B: Cash flow information		
Cash inflows		
New South Wales Independent Education Union	5,232,667	615,764
Total cash inflows	<u><u>5,232,667</u></u>	<u><u>615,764</u></u>
Cash outflows		
Independent Education Union of Australia	640,311	-
Union NSW	38,044	-
Union ACT	8,752	-
Welfare Right Centre	13,838	-
Newcastle Trade Hall Council	756	-
- Australian Council of Trade Unions - IR Levy	4,542	57,600
Total cash outflows	<u><u>706,243</u></u>	<u><u>57,600</u></u>

Note 9 Contingent Liabilities, Assets and Commitments

Note 9A: Commitments and Contingencies

Operating lease commitments—as lessee

- a) 7 Fuji Xerox photocopying machines from BOQ Equipment Finance Limited and expires in August 2019. The average remaining term on the lease is 32 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	38,400	-
After one year but not more than five years	64,000	-
More than five years	-	-
	<u><u>102,400</u></u>	<u><u>-</u></u>

- b) 4 HP printers from SE Rental Pty Ltd and expires in March 2018. The average remaining term on the lease is 15 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	6,264	-
After one year but not more than five years	1,566	-
More than five years	-	-
	<u><u>7,830</u></u>	<u><u>-</u></u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

2016 2015
\$ \$

Note 9A: Commitments and Contingencies (continued)

Operating lease commitments—as lessee

- c) 1 Konica Minolta copier from Macquarie Rentals and expires in October 2020. The average remaining term on the lease is 46 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	2,544	-
After one year but not more than five years	7,208	-
More than five years	-	-
	9,752	-
	9,752	-

- d) A new Fuji Xerox photocopier lease will start from April 2017 and expires in March 2022. The average remaining term on this lease is 60 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	3,412	-
After one year but not more than five years	18,196	-
More than five years	1,137	-
	22,745	-
	22,745	-

- e) Rental agreement of Lismore branch office renewed on 1 September 2016 and expires on 31 August 2018. The average remaining term on this lease is 20 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	43,712	-
After one year but not more than five years	29,623	-
More than five years	-	-
	73,335	-
	73,335	-

- f) All 4 BIZ contract with Telstra expires on 16 October 2017, the average remaining term is 9 months and 16 days.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	225,000	-
After one year but not more than five years	-	-
More than five years	-	-
	225,000	-
	225,000	-

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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Note 10 Related Party Disclosures

Note 10A: Related Party Disclosures

Under the Rules of the Independent Education Union of Australia, New South Wales Independent Education Union (NSW IEU) is an Associated Body. Rule 7(e) provides for the payment of an approved amount by an Associated Body to the union or branch of the union designated by the Federal Council or Federal Executive. This is calculated by reference to the total number of members of the Associated Body who have applied for membership of the union in the Branch designated by the Federal Council or Federal Executive.

During the year the NSW IEU Council and the IEUA NSW/ACT Branch Executive determined that the industrial operations of the NSW IEU should transition to the IEUA NSW/ACT Branch prior to the Fair Work Commission's withdrawal of transitional recognition provisions on 1 January 2017. As a consequence, staff of NSW IEU were administratively transferred to IEUA NSW/ACT Branch effective 1 January 2016 and membership fees became payable to IEUA NSW/ACT as from 1 July 2016. This operational change has been effected at this time to enable an orderly and efficient transition of services and financial management prior to the legislated end of transitional recognition of NSW IEU. All fixed assets including freehold property, plant and equipment and motor vehicles continued to be owned and maintained by NSW IEU.

This operational change has resulted in the IEUA NSW/ACT Branch providing staff and administrative services to the NSW IEU and the NSW IEU providing to IEUA NSW/ACT Branch full use and access to all the NSW IEU fixed assets. A collaborative relationship exists between NSW IEU and IEUA NSW/ACT Branch and it is noted and endorsed at Branch executive that IEUA NSW/ACT Branch provides staffing and other support to members of the NSW IEU at an appropriate and agreed cost to the NSW IEU, and NSW IEU provides fixed assets to the staff of the Branch at an appropriate and agreed cost to the IEUA NSW/ACT Branch.

All payments for services between NSW IEU and IEUA NSW/ACT Branch are made pursuant to a service agreement which provides payment terms to include set-off arrangements whereby fees payable to each other can be settled on a net amount basis payable from one party to the other.

Note 10B: Related Party Transactions for the Reporting Period

In addition to disclosures outlined in Note 10A the following table provides details of transactions that have been entered into with related parties for the relevant year.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Note 10B: Related Party Transactions for the Reporting Period (continued)

	2016	2015
	\$	\$
New South Wales Independent Education Union		
Revenue		
Service Fee Received	5,232,667	615,764
Amounts Owed By		
Trade Receivables	2,964,493	-
Amounts Owed To		
Other Payables	35,908	-
Independent Education Union of Australia		
Expenses		
Affiliation	474,422	
Capitation Fee	165,889	
ACTU- IR Levy	4,542	57,600
Terms and Conditions of Transactions with Related Parties		

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 10C: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits		
Salary (including annual leave taken)	1,857,431	-
Annual leave accrued	(29,844)	-
Performance bonus	-	-
Other	112,345	-
Total short-term employee benefits	<u>1,939,933</u>	<u>-</u>
Post-employment benefits:		
Superannuation	372,771	-
Total post-employment benefits	<u>372,771</u>	<u>-</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Note 10C: Key Management Personnel Remuneration for the Reporting Period (continued)

Other long-term benefits:

Long-service leave	19,605	-
Total other long-term benefits	<u>19,605</u>	<u>-</u>
Termination benefits	-	-
Total	<u>2,332,309</u>	<u>-</u>

These key management personnel receive the above remuneration as employees of the Branch.

Note 11 Remuneration of Auditors

Value of the services provided

Financial statement audit services	3,600	1,800
Other services	-	-
Total remuneration of auditors	<u>3,600</u>	<u>1,800</u>

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

Note 12 Financial Instruments

The committee of management meets on a regular basis to analyse the financial risk exposure with respect to most recent economic conditions and forecasts and to minimise the potential adverse effects on the financial performance of the Branch. Risk management policies including credit risk, liquidity risk are reviewed regularly. The carrying amount of the financial assets is reviewed annually to identify any impairment of financial assets.

Note 12A: Categories of Financial Instruments

Financial Assets

Held-to-maturity investments:

Cash at bank	1,258,635	11,143
Cash on hand	1,700	-
Total	<u>1,260,335</u>	<u>11,143</u>
Loans and receivables:		
Trade receivables	3,097,993	-
Other receivables	-	-
Total	<u>3,097,993</u>	<u>-</u>
Carrying amount of financial assets	<u>4,358,329</u>	<u>11,143</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
Note 12A: Categories of Financial Instruments (continued)		
<i>Financial Liabilities</i>		
Other financial liabilities:		
Trade payables	1,369,346	-
Other payables	3,133,963	-
Total	<u>4,503,309</u>	<u>-</u>
Carrying amount of financial liabilities	<u>4,503,309</u>	<u>-</u>

Note 12B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	422	-
Net gain/(loss) held-to-maturity	<u>422</u>	<u>-</u>

The net income/expense from financial assets not at fair value from profit and loss is \$422 (2015: nil).

Note 12C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	93	-
Net gain/(loss) financial liabilities - at amortised cost	<u>93</u>	<u>-</u>

The net income/expense from financial liabilities not at fair value from profit and loss is \$93 (2015: nil).

Note 12D: Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

Cash and cash equivalents	<u>1,260,335</u>	<u>11,142</u>
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The cash and cash equivalents are held in a high quality Australian financial institution.

Trade & Other Receivables	<u>3,097,994</u>	<u>-</u>
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There has been no history of default and all receivables are expected to be repaid within the arranged terms.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Note 12E: Liquidity Risk

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables & Accruals	-	2,539,592	1,963,718		-	4,503,309
Total	-	2,539,592	1,963,718	-	-	4,503,309

Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables & Accruals	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note 12F: Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

Note 12G: Interest Rate Risk

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Note 12G: Interest Rate Risk (continued)

31 December 2016	Floating Interest Rate	Non Interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	1,260,335	-	1,260,335
Receivables	-	3,097,994	3,097,994
	<u>1,260,335</u>	<u>3,097,994</u>	<u>4,358,329</u>
Weighted average interest rate	0.01%		
Financial Liabilities			
Payables	-	1,369,345	1,369,345
Net Financial Assets (Liabilities)	<u>1,260,335</u>	<u>1,728,649</u>	<u>2,988,984</u>
31 December 2015	Floating Interest Rate	Non Interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	11,142	-	11,142
Receivables	-	-	-
	<u>11,142</u>	<u>-</u>	<u>11,142</u>
Weighted average interest rate	0.01%		
Financial Liabilities			
Payables	-	-	-
Net Financial Assets (Liabilities)	<u>11,142</u>	<u>-</u>	<u>11,142</u>
Sensitivity Analysis	Carrying Amount	+50% (50 basis points) profit	-50% (50 basis points) Loss
	\$	\$	\$
2016			
Cash Assets	<u>1,260,335</u>	<u>63</u>	<u>63</u>
2015			
Cash Assets	<u>11,142</u>	<u>1</u>	<u>1</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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Note 13 Fair Value Measurement

Fair value estimation

Cash and cash equivalents, trade and other receivables, and trade and other payables are all short-term instruments in nature whose carrying amount is a reasonable approximation of fair value.

The Branch does not have any assets which were measured at fair value during the period.

Note 14 Going Concern

These financial statements are prepared on a going concern basis. During the financial year the branch has not relied upon the financial support of another reporting unit nor has it provided financial support to another reporting unit.

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).

Note 16 Contingent Liabilities, Assets and Commitments

There were no contingent liabilities, assets or commitments at 31 December 2016.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

Note17 Additional Branch Information

The registered office of the Branch is situated at:

485-501 Wattle Street
Ultimo NSW 2007

Independent Audit Report

To the members of Independent Education Union of Australia New South Wales/Australian Capital Territory Branch

Report on the Financial Report

We have audited the accompanying financial report of Independent Education Union of Australia New South Wales/Australian Capital Territory Branch which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, accompanying notes to these financial statements and the Committee of Management Statement for the year ended 31 December 2016.

Responsibility for the Financial Report

The Committee of Management and the Branch Secretary of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch are responsible for the preparation and fair presentation of the financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and other mandatory financial reporting requirements in Australia.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and with reference to the Fair Work (Registered Organisations) Act 2009. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 of Management and the Branch Secretary, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conduct our audit, we have complied with the independence requirement of Australian professional ethical pronouncement and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

We state that the financial report has been audited and in our opinion, the financial report presents fairly, in all material respects, the financial position of the Independent Education Union of Australia New South Wales/Australian Capital Territory as at 31 December 2016, and its financial performance and cash flows for the year ended in accordance with:

- 1) the relevant Australian Accounting Standards; and
- 2) the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial statements we have concluded that the management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 31 December 2016 is appropriate.

We declare that the auditor is an approved auditor as provided in the Fair Work (Registered Organisations) Act 2009 and is a fellow of The Institute of Chartered Accountants in Australia with a current Public Practice Certificate.

Sutherland and Company
Chartered Accountants and
Registered Company Auditor 3835



D W Sutherland, AM JP BA
Economic & Financial Studies FCA

Date: 17 March 2017



27 January 2017

Mr John Quessy
NSW General Secretary/ Fed President
Independent Education Union of Australia
New South Wales/Australian Capital Territory Branch
By Email: industrial@ieu.asn.au

Dear Mr Quessy,

**Re: Lodgement of Financial Report - [FR2016/408]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Independent Education Union of Australia-New South Wales/Australian Capital Territory Branch (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

	Before the ROC is established	From establishment of the ROC
Where to lodge	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
How to lodge	The easiest way to lodge is via email: orgs@fwc.gov.au	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
Internet : 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.

Yours sincerely,

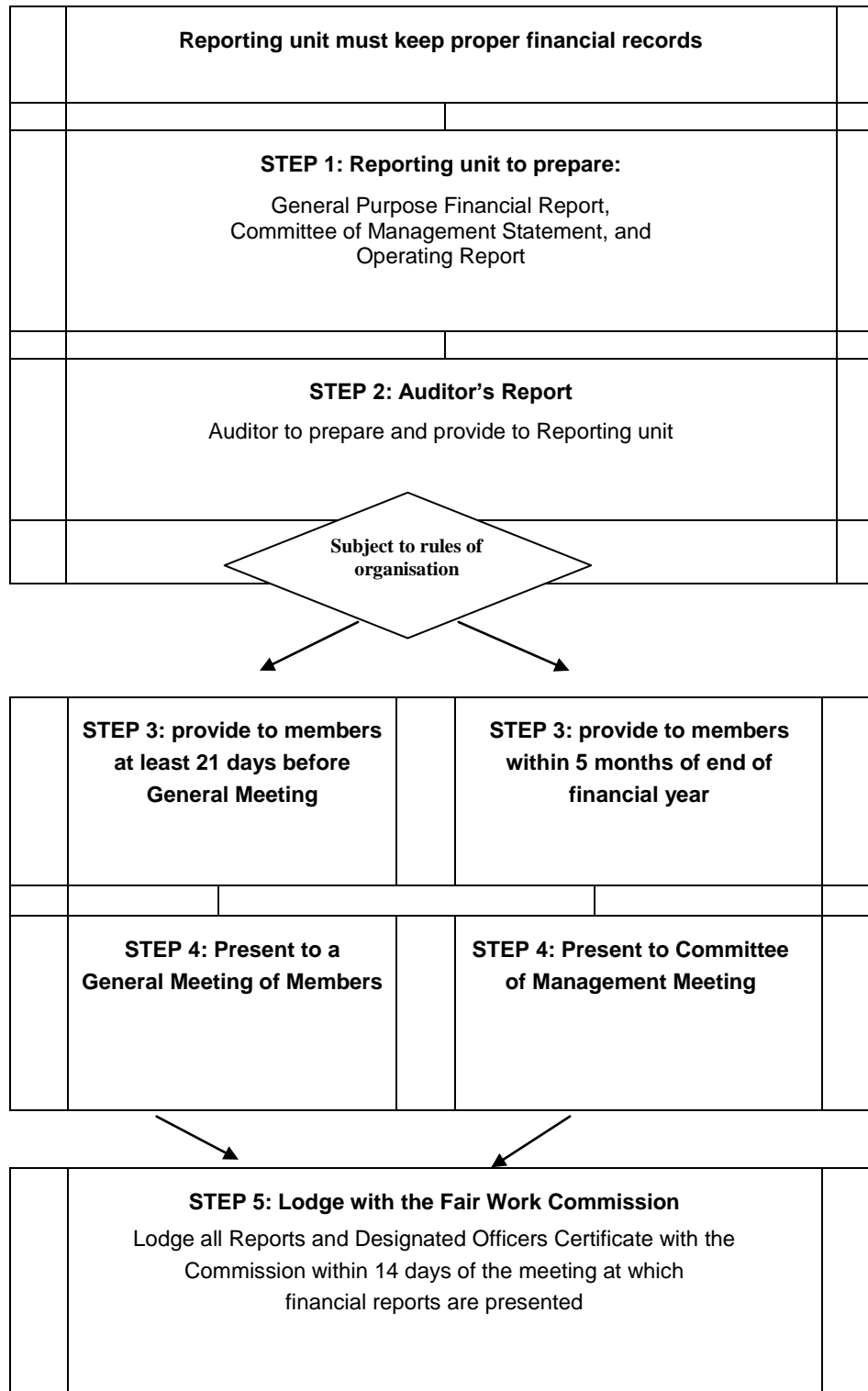


Marianne Kay
Adviser
Regulatory Compliance Branch

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	-	-
Total grants or donations	-	-

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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