



18 July 2019

Debra James  
General Secretary  
Independent Education Union of Australia-Victoria Tasmania Branch

Sent via email: [djames@ieuvictas.org.au](mailto:djames@ieuvictas.org.au)  
CC: [rob.wernli@dfkkidsons.com.au](mailto:rob.wernli@dfkkidsons.com.au)

Dear Debra James,

**Independent Education Union of Australia-Victoria Tasmania Branch  
Financial Report for the year ended 31 January 2019 – (FR2019/3)**

I acknowledge receipt of the financial report of the Independent Education Union of Australia-Victoria Tasmania Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 27 June 2019. I also acknowledge receipt of the amended designated officer's certificate which was lodged with the ROC on 17 July 2019.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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 January 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. 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.

**General purpose financial report (GPFR)**

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes and the financial statements contained nil activity information for all prescribed RG categories except the following:

- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (RG17(a)); and
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG17(b)).

I also note that the following nil activities are disclosed in the committee of management statement:

- Receiving revenue from undertaking recovery of wages activity;
- Having another entity administer the financial affairs of the reporting unit; and
- Making a payment to a former related party of the reporting unit.

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

### **Auditor's report**

#### Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

#### Registered auditor's details

Item 29(b) of the RGs state that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number granted under section 255A of the RO Act.

Please ensure that in future years the auditor's statement includes both the name and registration number of the registered auditor.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

**THE INDEPENDENT EDUCATION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 31 January 2019.

I, Debra James, being the General Secretary of the Independent Education Union of Australia Victoria Tasmania Branch certify:

- that the documents lodged herewith are copies of the full report for *The Independent Education Union of Australia Victoria Tasmania Branch* for the period ended 31 January 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that an email was sent to all members on 30 May informing them that the full report was available under the *Member Access* section of the union's website.
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 21 June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Debra James

Title of prescribed designated officer:

General Secretary

Dated:

17 July 2019

**THE INDEPENDENT EDUCATION  
UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 JANUARY 2019**

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
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*for the year ended 31 January 2019*

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**General information**

The financial statements cover Independent Education Union of Australia Victoria Tasmania Branch as an individual entity. The financial statements are presented in Australian dollars, which is Independent Education Union of Australia Victoria Tasmania Branch's functional and presentation currency.

The financial statements were authorised for issue on the date of signing this report.



## INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF THE INDEPENDENT EDUCATION UNION OF AUSTRALIA VICTORIA TASMANIA BRANCH

### Opinion

We have audited the general purpose financial report of The Independent Education Union of Australia Victoria Tasmania Branch (the Union) which comprises the statement of financial position as at 31 January 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 January 2019, and notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Independent Education Union of Australia Victoria Tasmania Branch as at 31 January 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

The Committee of Management of the Union is responsible for the preparation and fair preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Union's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act.

*DFK Kidsons Partnership*

DFK Kidsons Partnership  
Chartered Accountants

*Robert Wernli*

Robert Wernli, F.C.A.  
Partner

Melbourne  
7 May 2019

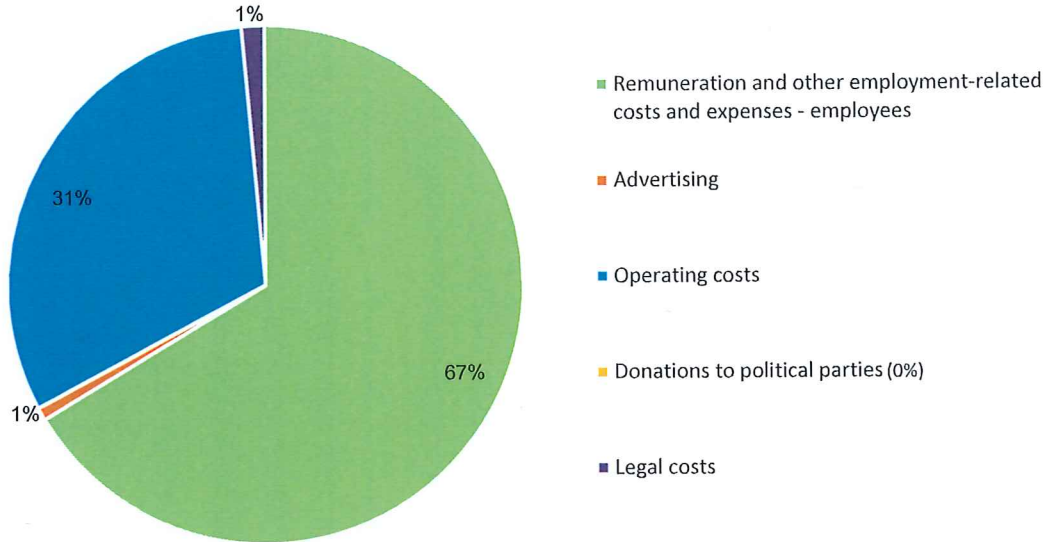
Registered company auditor, Registration number: 16278



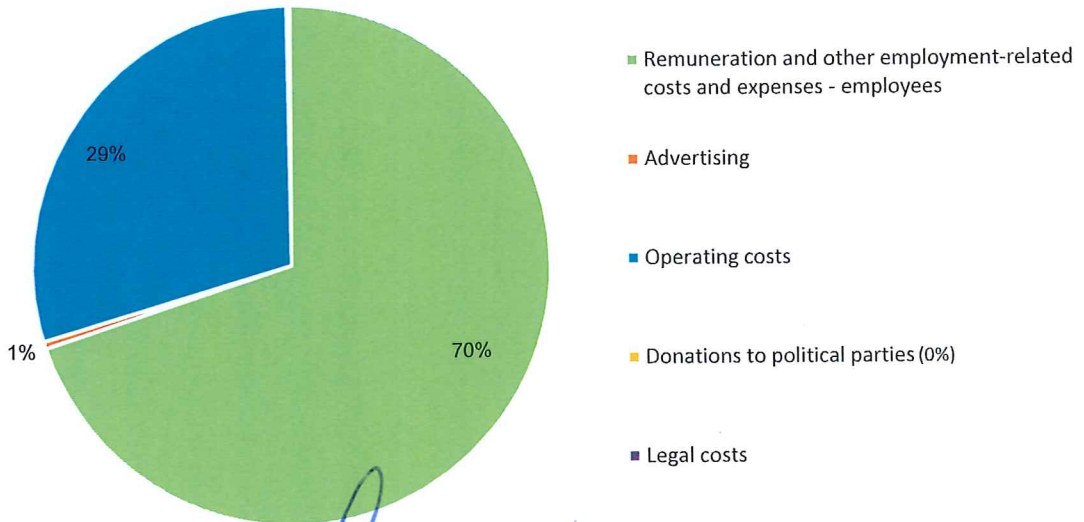
**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
 VICTORIA TASMANIA BRANCH  
 REPORT REQUIRED UNDER SUBSECTION 255(2A)  
 for the year ended 31 January 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 January 2019.

2019 - Expenditure as required under s.255(2A) RO Act



2018 - Expenditure as required under s.255(2A) RO Act



Signature of designated officer:

*Mark Williams*  
*Debra James*

Name and title of designated officer: Mark Williams  
 Branch President

Debra James  
 Branch Secretary

7.5.2019

7.5.2019

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
OPERATING REPORT**

*for the year ended 31 January 2019*

The committee presents its report on the reporting unit for the financial year ended 31 January 2019.

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

- (1) **Design**, implementation and co-ordination of campaigns and programs regarding membership organising, industrial and professional agendas.
- (2) **Representation** of the industrial and professional interests of the members in a broad range of Federal and State government committees, The Fair Work Commission and various statutory bodies and community organisations concerned with educational, industrial and other relevant concerns.
- (3) **Provision** of political, industrial, legal and professional advice to members and chapters of the union on various educational and industrial issues.
- (4) **Development of submissions** to inquiries on school funding, educational and industrial rights issues relevant to the membership and the broader union movement and community. Participation on behalf of the union and its membership in the public debate on these matters.
- (5) **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 IEU Victoria Tasmania branch, union movement and national union movement policy development.
- (6) **Protection and carriage** of the IEU Victoria Tasmania Branch Rules.
- (7) **Negotiation and prosecution** of claims for improved salaries and conditions for members in Victorian and Tasmanian non-government schools.

**Results of these Activities**

- (1) Maintenance of the IEU Victoria Tasmania Branch's membership in all non-government schools in Victoria and Tasmania.
- (2) A proactive membership industrially and professionally.
- (3) Continued public profile of the IEU Victoria Tasmania Branch on behalf of teachers and support staff in non-government education.
- (4) Improvements in the industrial and professional conditions of the membership.
- (5) Successful completion of negotiated Agreements on behalf of members in non-government schools in Victoria and Tasmania.

**Significant changes in the nature of these activities**

There have been no significant changes in the nature of these activities over the past year.

**Significant changes in financial affairs**

There have been no significant changes in the financial affairs of the Union during the past year.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
**VICTORIA TASMANIA BRANCH**  
**OPERATING REPORT (Continued)**  
*for the year ended 31 January 2019*

**Right of members to resign**

A member may resign from the Union in accord with Federal Rule 21 which states:

- (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.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
OPERATING REPORT (Continued)  
for the year ended 31 January 2019**

**Officers or members that are a trustee or director of a company that is a Superannuation Fund Entity**

**Cathy Hickey** Trustee of Non-Government Schools Superannuation Fund Pty. Ltd.  
**Debra James** Trustee of Catholic Superannuation Fund  
**John Connors** Trustee of Catholic Superannuation Fund

**Number of members**

There were 19,260 members (excluding student and the Retired Members Network) on the register of members on 31 January 2019.

**Number of employees**

On 31 January 2019 there were 43.7 FTE (full-time equivalent) employees at the IEU Victoria Tasmania Branch.

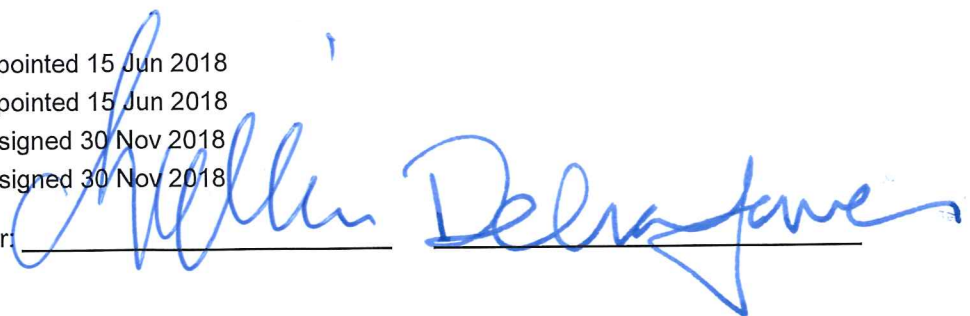
**Names of Committee of Management members and period positions held during the financial year**

The following persons were on the IEU Victoria Tasmania Branch Committee of Management during the financial year unless otherwise indicated.

Alexandra Abela  
Olivia Blackney  
John Connors  
Loretta Cotter  
Andrew J. Dunne  
Rachael Evans  
Andrea Hines  
Stephen Hobday  
Teresa Huddy  
Debra James  
Greg Lane  
Paul Mannion  
Heather Macardy  
Kim Merhulik  
Ruth Pendavingh  
Maree Shields  
John Waldock  
Mark Williams  
Andrew Wood  
Christopher Dite  
Rupert Stephenson  
Cara Maxworthy  
Patrick Bennett

Appointed 15 Jun 2018  
Appointed 15 Jun 2018  
Resigned 30 Nov 2018  
Resigned 30 Nov 2018

Signature of designated officer: \_\_\_\_\_



Name and title of designated officer: Mark Williams  
Branch President

Debra James  
Branch Secretary

Dated: 7.5.2019



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
COMMITTEE OF MANAGEMENT STATEMENT**  
*for the year ended 31 January 2019*

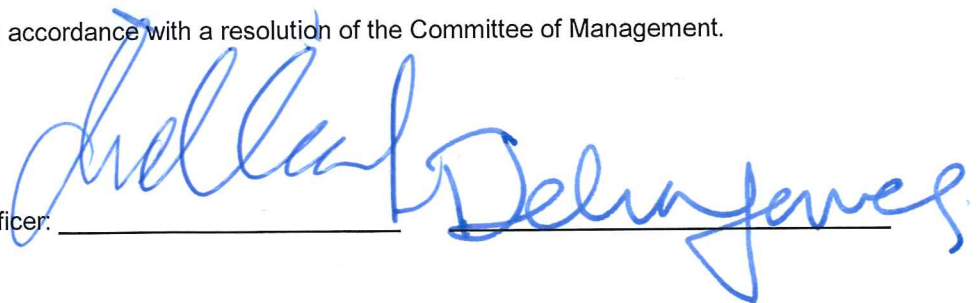
On the 3<sup>rd</sup> May 2019 the Committee of Management of The Independent Education Union of Australia Victoria Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 January 2019:

The Committee of Management 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 Commissioner or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period;
- (g) The Union's financial affairs are not administered by another entity; and
- (h) There were no payments made during the reporting period to a former related party of the Union.

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

Signature of designated officer: \_\_\_\_\_



Name and title of designated officer: Mark Williams

Debra James

Branch President

Branch Secretary

Dated: 7.5.2019

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 31 January 2019*

	Note	2019 \$	2018 \$
<b>Revenue</b>	3	10,573,224	10,042,738
<b>Expenses</b>			
Employee expenses	4A	6,222,296	5,979,711
Capitation fees	4B	483,410	430,558
Affiliation fees	4C	244,509	200,073
Depreciation and amortisation	6A	321,897	298,863
Interest expense	4D	19,321	37,953
Other expenses	4E	2,415,869	1,940,481
<b>Total expenses</b>		<u>9,707,302</u>	<u>8,887,639</u>
<b>Surplus for the year</b>		<u>865,922</u>	<u>1,155,099</u>
<b>Other comprehensive income</b>			
Valuation gains on fair value through OCI equity investments		-	282,800
<b>Total comprehensive income for the year</b>		<u>865,922</u>	<u>1,437,899</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
STATEMENT OF FINANCIAL POSITION**  
as at 31 January 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	2,128,889	1,810,346
Trade and other receivables	5B	396,556	450,641
Other current assets	5C	2,273,243	1,451,926
<b>Total current assets</b>		<u>4,798,688</u>	<u>3,712,913</u>
<b>Non-Current Assets</b>			
Plant and equipment	6A	841,085	898,751
Investment in associate	6B	4,214,213	4,214,213
<b>Total non-current assets</b>		<u>5,055,298</u>	<u>5,112,964</u>
<b>Total assets</b>		<u>9,853,986</u>	<u>8,825,877</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7A	569,389	670,790
Lease liabilities	7B	362,868	345,374
Unearned income	7C	1,020,462	964,339
Employee provisions	8A	2,271,061	2,083,108
<b>Total current liabilities</b>		<u>4,223,780</u>	<u>4,063,611</u>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	32,591	44,089
Lease liabilities	7B	356,608	343,092
<b>Total non-current liabilities</b>		<u>389,199</u>	<u>387,181</u>
<b>Total liabilities</b>		<u>4,612,979</u>	<u>4,450,792</u>
<b>Net assets</b>		<u>5,241,007</u>	<u>4,375,085</u>
<b>EQUITY</b>			
Members Funds	9A	4,133,537	3,267,615
Reserves		1,107,470	1,107,470
<b>Total equity</b>		<u>5,241,007</u>	<u>4,375,085</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
STATEMENT OF CHANGES IN EQUITY**

*For the year ended 31 January 2019*

	<b>Members funds</b>	<b>Reserves</b>	<b>Total equity</b>
	\$	\$	\$
<b>Balance as at 1 February 2017</b>	2,112,516	824,670	2,937,186
Surplus for the year	1,155,099	–	1,155,099
Other comprehensive income for the year	–	282,800	282,800
<b>Closing balance as at 31 January 2018</b>	<u>3,267,615</u>	<u>1,107,470</u>	<u>4,375,085</u>
<b>Balance as at 1 February 2018</b>	3,267,615	1,107,470	4,375,085
Surplus for the year	865,922	–	865,922
Change in accounting policy – AASB 9	(3,106,541)	3,106,541	–
<b>Closing balance as at 31 January 2019</b>	<u>1,026,996</u>	<u>4,214,011</u>	<u>5,241,007</u>

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



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
**VICTORIA TASMANIA BRANCH**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 31 January 2019*

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue from operating activities	11,727,897	11,625,926
Interest received	18,777	11,772
Payments to employees and suppliers	(10,377,358)	(9,609,834)
Interest expense	(30)	(25)
<b>Net cash from operating activities</b>	11A 1,369,286	2,027,839
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from investments	-	5,280
Proceeds from sale of fixed assets	99,936	118,091
Payments for fixed assets	(342,398)	(452,900)
Payments for Investments	(820,000)	(970,000)
<b>Net cash used by investing activities</b>	(1,062,462)	(1,299,529)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	338,575	313,153
Repayment of borrowings	(307,565)	(309,665)
Finance interest	(19,291)	(37,928)
<b>Net cash from/(used by) financing activities</b>	11,719	(34,440)
<b>Net increase/(decrease) in cash and cash equivalents held</b>	318,543	693,870
Cash & cash equivalents at the beginning of the year	1,810,346	1,116,476
<b>Cash &amp; cash equivalents at the end of the year</b>	5A 2,128,889	1,810,346

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
VICTORIA TASMANIA BRANCH  
NOTES OF THE FINANCIAL STATEMENTS**  
*for the year ended 31 January 2019*

**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 Victoria Tasmania 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 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 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.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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**Note 1. Summary of significant accounting policies (Continued)**

**1.4 Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**1.5 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.

Liabilities for employee entitlements which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the entity's experience with staff departures.

**1.6 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the leased item or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the assets useful life. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**1.7 Cash and cash equivalents**

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 statement of financial position.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.8 Financial instruments**

Financial assets and financial liabilities are recognised when the Independent Education Union of Australia Victoria Tasmania Branch 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

***Effects of changes in accounting policies – AASB 9 Financial Instruments***

Equity investments classified as available-for-sale financial assets under AASB 39 have been classified as being at Fair Value through Other Comprehensive Income (FVTOCI) under AASB 9. All fair value gains in respect of those assets are recognised in other comprehensive income and accumulated in the equity investment reserve, and these are not recycled to profit or loss. Previously, under AASB 39, impairments of such assets were recognised in profit or loss, and gains and losses accumulated in reserves were recycled to profit or loss on disposal.

Valuation gains on fair value of \$3,106,541 recognised prior to 2017 under AASB 39 (and therefore accumulated in retained earnings) have been transferred to the equity investment reserve to ensure that this reserve reflects cumulative gains and losses on such assets since initial recognition.

The Union has chosen not to restate comparatives on adoption of AASB 9 and, therefore, these changes have been processed at the date of initial application (i.e. 1 February 2018), and presented in the statement of changes in equity.

**1.9 Financial assets**

Financial assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired.

***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.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-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.

The Union currently hold an investment portfolio that is treated as a financial asset at fair value through profit or loss.



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**1.9 Financial assets (continued)**

***Amortised Cost***

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Union's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

***Fair value through other comprehensive income***

The Union has an investment in the Federation of Education Union Trust, which is not accounted for as a subsidiary, associate or jointly controlled entity. For this investment, the Union has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Union considers this measurement to be the most representative of the business model for this asset. It is carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

**1.10 Financial liabilities**

Financial liabilities are classified into one of two categories, depending the purpose for which the liability was acquired, as follows:

***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.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement 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.

The Union does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.10 Financial liabilities (continued)**

***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.

**1.11 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.

**1.12 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:

	<b>2019</b>	<b>2018</b>
Furniture & Fittings	5 to 10 years	5 to 10 years
Office Equipment	3 years	3 years
Motor Vehicles	5 years	5 years
Leasehold Improvements	13 years	13 years

***Derecognition***

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.13 Impairment for 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 of disposal 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 Independent Education Union of Australia Victoria Tasmania Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No assets were assessed as being impaired during the 2019 financial year (2018: nil).

**1.14 Taxation**

The Independent Education Union of Australia Victoria Tasmania Branch 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.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**1.15 Investments**

Investments in unlisted companies and unit trusts are initially measured at fair value, net of transaction costs, and shall be subsequently measured at fair value, without any deduction for transaction costs it may incur on sale or other disposal. A gain or loss arising from change in fair value shall be recognised in other comprehensive income, except for impairment losses. The Investment in the Federation of Education Unit Trust is classified as fair value through other comprehensive income.

Investments in listed companies and funds are carried at fair value. The Investment Portfolio has been designated as a financial asset at fair value through profit or loss.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.16 Fair value measurement**

The Independent Education Union of Australia Victoria Tasmania Branch measures financial instruments at fair value at each balance sheet date.

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 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.

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 Independent Education Union of Australia Victoria Tasmania Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**1.17 Going concern**

The Independent Education Union of Australia Victoria Tasmania Branch's ability to continue as a going concern is not reliant on financial support of another reporting unit.

**1.18 Financial support to another reporting unit**

The Independent Education Union of Australia Victoria Tasmania Branch has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

**1.19 Business combinations**

The Independent Education Union of Australia Victoria Tasmania Branch has not acquired assets or liabilities during the financial year as part of a business combination.

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**Note 1 Summary of significant accounting policies (Continued)**

**1.20 Acquisition of assets or liabilities**

The Independent Education Union of Australia Victoria Tasmania Branch did not acquire an asset or a liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- a restructure of the branches of the organization; or
- a determination by the General Manager under sub-section 245(1) of the RO Act of an alternative reporting structure for the organization; or
- a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under sub-section 245(1).

**1.21 Recovery of wages**

The Independent Education Union of Australia Victoria Tasmania Branch has not undertaken any recovery of wages activity during the financial year.

**1.22 Transactions with another reporting unit**

The Union does not have another item in the statement of financial position that has been derived as a result of one or more transactions and/or past events with another reporting unit of the Union.

**1.23 Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The Independent Education Union of Australia Victoria Tasmania Branch determines the estimated useful lives and related depreciation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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**1.24 New Australian Accounting Standards**

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 31 January 2019 reporting period. As at 31 January 2019, the following standards and interpretations had been issued but were not mandatory for the reporting ended 31 January 2019.

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Application for reporting periods beginning on:</b>	<b>Impact on Entities Annual Statements</b>
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2019	The Union has adopted this standard and the amendments from 1 January 2018, but the impact of its adoption is not expected to have a material impact. This will continue to be assessed.
AASB 1058 Income of Not-for Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 January 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.  Short-term leases (less than 12 months) and leases of low-value assets are exempt from the lease accounting requirements.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.  No change for lessors.

In addition to those Accounting Standards listed above, the AASB has also released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are also not expected to have any significant impact on the Union's financial statements. Consequently, they have not been specifically identified above.



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**Note 2 Events after the reporting period**

No matter or circumstance has arisen since 31 January 2019 that has significantly affected or may significantly affect the Independent Education Union of Australia Victoria Tasmania Branch's operations, the results of those operations, or the Union's state of affairs in future financial years.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3 Revenue</b>		
Membership subscriptions	10,354,735	9,851,479
Interest received	18,777	11,772
Other revenue	65,242	52,727
Reimbursement of legal costs	-	-
Profit on sale of investments	-	1,413
Advertising Income	31,787	50,636
Directors Fees	80,914	41,258
Movement in market value of investments	-	18,873
(Profit) / loss on sale of fixed assets	21,769	14,580
Grants or donations	-	-
Capitation fees	-	-
Other revenue from another reporting unit	-	-
Levies	-	-
<b>Total revenue</b>	<b>10,573,224</b>	<b>10,042,738</b>

**Note 4 Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

Wages and salaries	367,336	328,070
Superannuation	51,356	49,954
Leave and other entitlements	15,938	26,549
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>434,630</b>	<b>404,573</b>

**Employees other than office holders:**

Wages and salaries	4,039,534	3,931,001
Superannuation	692,996	642,270
Leave and other entitlements	710,432	647,023
Separation and redundancies	-	-
Other employee expenses	344,704	354,844
<b>Subtotal employee expenses employees other than office holders</b>	<b>5,787,666</b>	<b>5,575,138</b>
<b>Total employee expenses</b>	<b>6,222,296</b>	<b>5,979,711</b>

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	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 4 Expenses (continued)</b>		
<b>Note 4B: Capitation fees</b>		
Independent Education Union of Australia	483,410	430,558
<b>Total capitation fees</b>	<u>483,410</u>	<u>430,558</u>
<b>Note 4C: Affiliation fees</b>		
Australian Catholic Primary Principals Association	60,750	22,400
Australian Primary Principal Association Incorporated	7,740	8,850
Ballarat Trades Hall Council	3,363	2,787
Bendigo Trades Hall Council	2,893	1,874
Geelong Trades Hall Council	6,653	555
Gippsland Trades & Labour Council	3,391	1,707
Goulburn Valley Trades Hall Council	1,120	1,079
Incorporated Association of Registered Teachers of Victoria	10,042	10,458
North East Trades & Labour Council	1,666	1,355
South West Trades & Labour Council	1,303	351
Sunraysia Trades & Labour Council	273	238
Unions Tasmania	4,370	10,364
Victorian Trades Hall Council	140,945	138,055
<b>Total affiliation fees/subscriptions</b>	<u>244,509</u>	<u>200,073</u>
<b>Note 4D: Interest Expense</b>		
Bank interest	30	25
Finance lease interest	19,291	37,928
	<u>19,321</u>	<u>37,953</u>

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	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 4 Expenses (continued)</b>		
<b>Note 4E: Other expenses</b>		
Advertising	75,339	38,052
Audit Fees	20,400	31,100
Bank charges	66,002	83,481
Conference and meeting expenses	116,267	105,005
Fringe Benefits Tax	118,685	83,216
Information communications technology	138,182	135,785
Insurance	213,462	196,715
Legal costs - litigation	133,509	19,403
Legal costs – other legal matters	–	–
Members Campaign	232,110	–
Motor Vehicle Expenses	103,783	83,802
Office expenses	21,609	47,616
Officer expenses	206,824	227,082
Other expenses	94,757	110,094
Postage	192,750	227,778
Printing & Stationery	18,448	20,972
Property Expenses	246,938	169,286
Publications	202,023	176,538
Sponsorship	18,546	381
Teacher Learning Network	50,000	50,000
Telephone	85,856	79,378
Training	37,539	54,797
Movement in market value of investments	22,840	–
Compulsory levies	–	–
Fees/allowances - meeting and conferences	–	–
Consideration to employers for payroll deductions	–	–
Grants or donations	–	–
Penalties - via RO Act or RO Regulations	–	–
Other expenses to another reporting unit	–	–
<b>Total other expenses</b>	<u>2,415,869</u>	<u>1,940,481</u>

**Note 5 Current assets**

**Note 5A: Cash and cash equivalents**

Cash at bank	1,808,889	1,730,346
Short term deposits	320,000	80,000
<b>Total cash and cash equivalents</b>	<u>2,128,889</u>	<u>1,810,346</u>

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5 Current assets (continued)</b>		
<b>Note 5B: Trade and other receivables</b>		
Trade receivables	396,556	450,641
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
<b>Total trade receivables</b>	<u>396,556</u>	<u>450,641</u>
<b>Other receivables:</b>		
Other receivables	-	-
<b>Total other receivables</b>	<u>-</u>	<u>-</u>
<b>Total trade and other receivables</b>	<u><u>396,556</u></u>	<u><u>450,641</u></u>
<b>Note 5C: Other current assets</b>		
Investment portfolio	207,245	190,084
Prepayments	215,998	191,842
Term deposits	1,850,000	1,070,000
<b>Total other current assets</b>	<u><u>2,273,243</u></u>	<u><u>1,451,926</u></u>
<b>Note 6 Non-current assets</b>		
<b>Note 6A: Plant and equipment</b>		
Phone system:		
At cost	64,164	64,164
Less accumulated depreciation	(64,164)	(64,164)
	<u>-</u>	<u>-</u>
Office equipment, furniture and fittings:		
At cost	363,458	330,408
Less accumulated depreciation	(239,969)	(172,402)
	<u>123,489</u>	<u>158,006</u>
Motor vehicles:		
At cost	1,097,808	1,023,434
Less accumulated depreciation	(399,868)	(344,089)
	<u>697,940</u>	<u>679,345</u>
Leasehold improvements:		
At cost	556,583	556,583
Less accumulated depreciation	(536,927)	(495,183)
	<u>19,656</u>	<u>61,400</u>
<b>Total plant and equipment</b>	<u><u>841,085</u></u>	<u><u>898,751</u></u>

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**Note 6 Non-current assets (continued)**

**Note 6A: Plant and equipment (Continued)**

**Reconciliation of carrying amounts of plant and equipment**

	Phone system \$	Equipment, furniture & Fittings \$	Motor vehicles \$	Leasehold Improvements \$	Total \$
<b>2019</b>					
Balance at the beginning of the year	-	158,006	679,345	61,400	898,751
Additions	-	33,214	309,184	-	342,398
Disposals	-	-	(78,167)	-	(78,167)
Depreciation expense	-	(67,731)	(212,422)	(41,744)	(321,897)
Carrying amount at end of the year	-	123,489	697,940	19,656	841,085

	Phone system \$	Equipment, furniture & Fittings \$	Motor vehicles \$	Leasehold Improvements \$	Total \$
<b>2018</b>					
Balance at the beginning of the year	11,362	60,254	673,465	103,144	848,225
Additions	-	139,747	313,153	-	452,900
Disposals	-	-	(103,511)	-	(103,511)
Depreciation expense	(11,362)	(41,995)	(203,762)	(41,744)	(298,863)
Carrying amount at end of the year	-	158,006	679,345	61,400	898,751

**2019**                      **2018**  
\$                                      \$

**Note 6B: Investment in associate**

Federation of Education Unions Unit Trust	4,214,213	4,214,213
<b>Total investment in associate</b>	<b>4,214,213</b>	<b>4,214,213</b>

**Details of investments accounted for using the equity method**

Parent Name of entity	Principal activity	Ownership	
		2019 %	2018 %
<b>Associates:</b>			
Federation of Education Union	Unit Trust	20.2%	20.2%

(i) The published fair value for the investment in Federation of Education Unions Unit Trust is \$4,214,213 (2018: \$4,214,213).

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**Note 6 Non-current assets (continued)**

**Note 6B: Investments in associates (continued)**

**Summary financial information of associate**

	2019	2018
	\$	\$
<b>Statement of financial position:</b>		
Assets	21,052,832	21,084,333
Liabilities	190,389	221,890
Net assets	20,862,443	20,862,443
<b>Statement of comprehensive income:</b>		
Income	902,862	2,201,168
Expenses	902,892	801,168
Increase/(decrease) in net assets attributable to unitholders	-	(1,400,000)
Net surplus/(deficit)	-	-
<b>Share of associates' net surplus/(deficit):</b>		
Share of net surplus/(deficit) before tax	-	-
Income tax expense	-	-
<b>Share of associates net surplus/(deficit) after tax</b>	-	-

Dividends received from associate during the financial year: Nil (2018: Nil)

Share of net profits/loss from associate during the financial year: Nil (2018: Nil)

**Note 7 Current liabilities**

**Note 7A: Trade and other payables**

Trade creditors and accruals	219,651	156,282
Payables to other reporting units	-	-
<b>Total trade creditors</b>	<u>219,651</u>	<u>156,282</u>
<b>Other payables:</b>		
GST payable	309,757	290,731
FBT payable	39,981	36,861
PAYG payable	-	176,852
Payable to associate	-	10,064
Consideration to employers for payroll deductions	-	-
Legal costs – litigation	-	-
Legal costs – other legal matters	-	-
<b>Total other payables</b>	<u>349,738</u>	<u>514,508</u>
<b>Total trade and other payables</b>	<u>569,389</u>	<u>670,790</u>



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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*for the year ended 31 January 2019*

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 7 Current liabilities (continued)</b>		
<b>Note 7B: Lease liabilities</b>		
<b>Current</b>		
Motor vehicle and equipment finance	362,868	345,374
<b>Non-current</b>		
Motor vehicle and equipment finance	356,608	343,092
<b>Total lease liabilities</b>	<u>719,476</u>	<u>688,466</u>
<b>Note 7C: Unearned income</b>		
Membership fees received in advance	1,020,462	964,339
<b>Total unearned income</b>	<u>1,020,462</u>	<u>964,339</u>
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee provisions</b>		
<b>Office Holders:</b>		
Annual leave	105,821	86,133
Long service leave	165,431	149,493
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<u>271,252</u>	<u>235,626</u>
<b>Employees other than office holders:</b>		
Annual leave	895,443	804,757
Long service leave	1,136,957	1,086,814
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>2,032,400</u>	<u>1,891,571</u>
<b>Total employee provisions</b>	<u>2,303,652</u>	<u>2,127,197</u>
Current	2,271,061	2,083,108
Non-Current	32,591	44,089
<b>Total employee provisions</b>	<u>2,303,652</u>	<u>2,127,197</u>

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9 Equity</b>		
<b>Note 9A: Member funds</b>		
<b>Balance as at start of financial year</b>	3,267,615	2,112,516
Surplus for the year	865,922	1,155,099
<b>Balance as at end of financial year</b>	<u>4,133,537</u>	<u>3,267,615</u>
The purpose of the fund is for taking action in support of our members.		
<b>Note 10 Cash flow</b>		
<b>Note 10A: Cash flow reconciliation</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	2,128,889	1,810,346
Balance sheet	2,128,889	1,810,346
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of surplus to net cash from operating activities:</b>		
Surplus for the year	865,922	1,155,099
<b>Adjustments for non-cash items</b>		
Depreciation	321,897	298,863
Change in market value of investments – decrease/(increase)	22,840	(20,285)
Finance lease interest	19,291	37,928
(Profit)/loss on sale of fixed assets	(21,769)	(14,580)
Profit on sale of investments	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in receivables	54,085	(84,992)
(Increase)/decrease in other assets	(24,156)	(14,699)
Increase/(decrease) in payables	(101,402)	164,157
Increase/(decrease) in unearned income	56,123	309,146
Increase/(decrease) in employee provisions	176,455	197,202
<b>Net cash from (used by) operating activities</b>	<u>1,369,286</u>	<u>2,027,839</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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	2019	2018
	\$	\$
<b>Note 10 Cash flow (continued)</b>		
<b>Note 10B: Cash flow information</b>		
Cash inflows		
The Independent Education Union of Australia	12,185,185	11,637,698
<b>Total cash inflows</b>	<u>12,185,185</u>	<u>11,637,698</u>
Cash outflows		
The Independent Education Union of Australia	11,866,642	9,609,858
<b>Total cash outflows</b>	<u>11,866,642</u>	<u>9,609,858</u>

**Note 11 Contingent liabilities, assets and commitments**

**Note 11A: Commitments and contingencies**

The Union have motor vehicles and a phone system under lease.

**Finance lease commitments—as lessee**

Within one year	373,307	363,908
After one year but not more than five years	383,753	352,657
More than five years	—	—
<b>Total minimum lease payments</b>	<u>757,060</u>	<u>716,565</u>
Less amounts representing finance charges	(37,584)	(28,099)
<b>Present value of minimum lease payments</b>	<u>719,476</u>	<u>688,466</u>

Included in the financial statements as:

Current interest-bearing loans and borrowings	362,868	345,374
Non-current interest-bearing loans and borrowings	356,608	343,092
<b>Total included in interest-bearing loans and borrowings</b>	<u>719,476</u>	<u>688,466</u>

The Union has no contingent liability or asset as at 31 January 2019 (2018: Nil).

**Note 12 Related party disclosures**

**Note 12A: Related party transactions for the reporting period**

During the reporting period there were transactions with the following related parties; Federal office of the Independent Education Union and the Teacher Learning Network.

The total amount of related party transactions that have been entered into for the relevant financial year are as follows:

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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NOTES OF THE FINANCIAL STATEMENTS**  
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	2019	2018
	\$	\$
<b>Note 12 Related party disclosures (continued)</b>		
<b>Note 12A: Related party transactions for the reporting period (continued)</b>		
<b>Revenue received from the following party includes:</b>		
Independent Education Union of Australia		
- Payroll tax	6,283	-
<b>Expenses paid to the following parties include:</b>		
Independent Education Union of Australia		
- Capitation Fee	363,892	319,104
- ACTU levy	119,518	111,454
Teacher Learning Network	50,000	50,000

There were no other related party transactions during the year.

***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 January 2019, the Independent Education Union of Australia Victoria Tasmania Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: Nil).

**Note 12B: Key management personnel remuneration for the reporting period**

The aggregate compensation made to officers and other members of key management personnel of the Union is set out below:

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	347,649	331,875
Increase / (Decrease) in Annual leave accrued	19,687	12,297
Performance bonus	-	-
Other Employee Benefits	-	-
<b>Total short-term employee benefits</b>	367,336	344,172
<b>Post-employment benefits:</b>		
Superannuation	51,356	49,954
<b>Total post-employment benefits</b>	51,356	49,954
<b>Other long-term benefits:</b>		
Increase / (Decrease) in Long-service leave	15,938	14,252
<b>Total other long-term benefits</b>	15,938	14,252

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
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	2019	2018
	\$	\$
<b>Note 12 Related party disclosures (continued)</b>		
<b>Note 12B: Key management personnel remuneration for the reporting period (continued)</b>		
<b>Termination benefits</b>	-	-
	-	-
<b>Total key management personnel remuneration</b>	<u>434,630</u>	<u>408,378</u>

**Note 13 Remuneration of auditors**

**Value of the services provided**

Financial statement audit services	20,400	20,000
Other services	-	-
Prior year audit services	-	11,100
<b>Total remuneration of auditors</b>	<u>20,400</u>	<u>31,100</u>

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

**Note 14 Financial instruments**

The Union's activities expose itself primarily to the following financial risks:

- Interest rate risk;
- Price risk;
- Liquidity risk; and
- Credit risk.

The Union's Committee of Management have overall responsibility for risk management, including risks associated with financial instruments.

The Union's financial instruments consist mainly of deposits with banks, short and long-term investments, accounts receivable and accounts payable. The Union does not use derivative instruments to manage risks associated with its financial instruments.

**Note 14A: Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
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**Note 14 Financial instruments (continued)**

**Note 14B: Categories of financial instruments**

<b>Financial assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2019</b>	<b>Carrying amount 2018</b>
			<b>\$</b>	<b>\$</b>
Cash and cash equivalents	5A	Amortised cost (2017: Loans and receivables)	2,128,889	1,810,346
Receivables	5B	Amortised cost (2017: Loans and receivables)	396,556	450,641
Term deposits	5C	Amortised cost (2017: Held to maturity)	1,850,000	1,070,000
Investment portfolio	5C	Fair value through profit or loss	207,245	190,084
Investment in associate	6D	Fair value through OCI (2017: Available for sale)	4,214,213	4,214,213

<b>Financial liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2019</b>	<b>Carrying amount 2018</b>
			<b>\$</b>	<b>\$</b>
Payables	7A	Amortised cost	219,651	166,346
Lease liabilities	7B	Amortised cost	719,476	688,466

Financial liabilities exclude statutory financial liabilities (e.g. GST payable, FBT Payable)

**Note 14C: Net Income and Expense from Financial Assets**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets at amortised cost</b>		
Interest revenue	18,130	7,333
<b>Net gain/(loss) at amortised cost</b>	<u>18,130</u>	<u>7,333</u>
<b>Fair value through profit and loss</b>		
Designated as fair value through profit and loss:		
Change in fair value	(22,840)	20,286
Interest revenue	647	4,439
Dividend income	16,222	9,999
<b>Net gain/(loss) at fair value through profit and loss</b>	<u>(5,971)</u>	<u>34,724</u>
<b>Net gain/(loss) from financial assets</b>	<u>24,101</u>	<u>42,057</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
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**NOTES OF THE FINANCIAL STATEMENTS**  
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	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 14D: Net income and expense from financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Interest expense	(19,291)	(37,928)
<b>Net gain/(loss) at amortised cost</b>	<u>(19,291)</u>	<u>(37,928)</u>
<b>Net gain/(loss) from financial liabilities</b>	<u>(19,291)</u>	<u>(37,928)</u>

**Note 14E: Fair Value of Financial Instruments**

Unless otherwise stated, the carrying amounts of other financial instruments reflect their fair value.

**Note 14F: Financial risk management objectives**

***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Union. The Union is not exposed to any significant credit risk.

***Market Risk***

*Foreign currency risk*

The Union is not exposed to any significant foreign currency risk.

*Price risk*

The Union is exposed to equity securities price risk through the investment portfolio. This arises from investments held by the Union and classified on the statement of financial position as fair value through profit and loss. The Union is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Union diversifies its portfolio.

*Interest rate risk*

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

	<b>Floating Interest Rate</b>		<b>Non-Interest Bearing</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash	2,128,889	1,810,346	-	-	2,128,889	1,810,346
Receivables	-	-	396,556	450,641	396,556	450,641
Term deposits	1,850,000	1,070,000	-	-	1,850,000	1,070,000
Investment portfolio	207,245	190,084	-	-	207,245	190,084
Investment in associate	-	-	4,214,213	4,214,213	4,214,213	4,214,213
<b>Total Financial Assets</b>	<u>4,186,134</u>	<u>3,070,430</u>	<u>4,610,769</u>	<u>4,664,854</u>	<u>8,796,903</u>	<u>7,735,284</u>
Financial Liabilities:						
Payables	-	-	219,651	166,346	219,651	166,346
Lease liabilities	719,476	688,466	-	-	719,476	688,466
<b>Total Financial Liabilities</b>	<u>719,476</u>	<u>688,466</u>	<u>219,651</u>	<u>166,346</u>	<u>939,127</u>	<u>854,812</u>



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*for the year ended 31 January 2019*

**Note 14 Financial instruments (continued)**

**Note 14F: Financial risk management objectives (Continued)**

**Liquidity risk**

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Union manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

	<i>Maturity Dates</i>			<i>Remaining contractual maturities</i>
	<i>1 year or less</i>	<i>Between 1 and 5 years</i>	<i>Over 5 years</i>	
<b>2019</b>				
Payables	219,651	-	-	-
Lease liabilities	353,254	366,222	-	-
	572,905	366,222	-	-
<b>2018</b>				
Payables	166,346	-	-	-
Lease liabilities	345,374	343,092	-	-
	511,720	343,092	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 Registered Office**

The principal place of business of the Union is:

120 Clarendon Street  
South Melbourne Victoria 3205



18 February 2019

Ms Debra James  
General Secretary  
Independent Education Union of Australia-Victoria Tasmania Branch  
By Email: [djames@ieuvictas.org.au](mailto:djames@ieuvictas.org.au)

Dear Ms James,

**Re: Lodgement of Financial Report - [FR2019/3]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Independent Education Union of Australia-Victoria Tasmania Branch (the reporting unit) ended on 31 January 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to 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 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 1 May 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 31 July 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Subsection 255(2A) report**

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,



**Sam Gallichio**  
**Registered Organisations Commission**

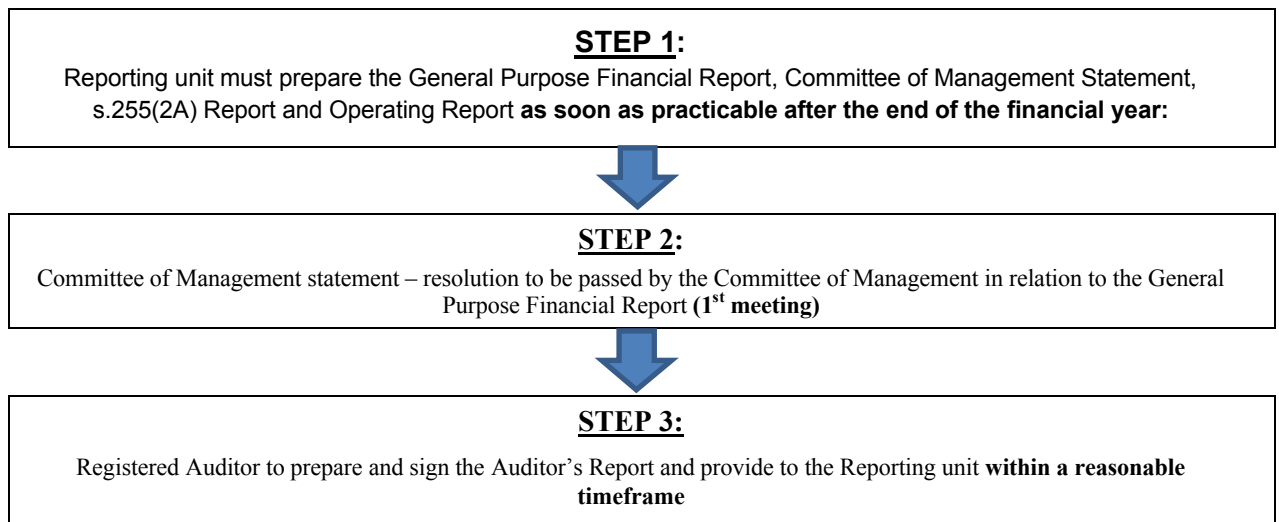


## Fact sheet

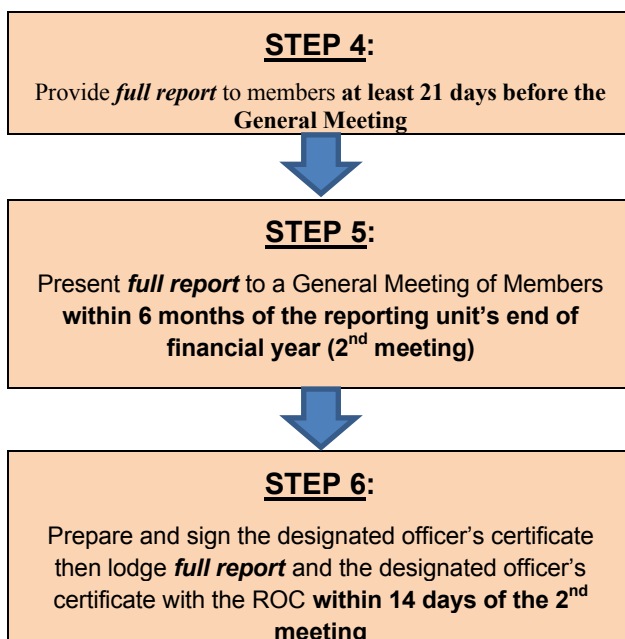
### Summary of financial reporting timelines – s.253 financial reports

General Information:

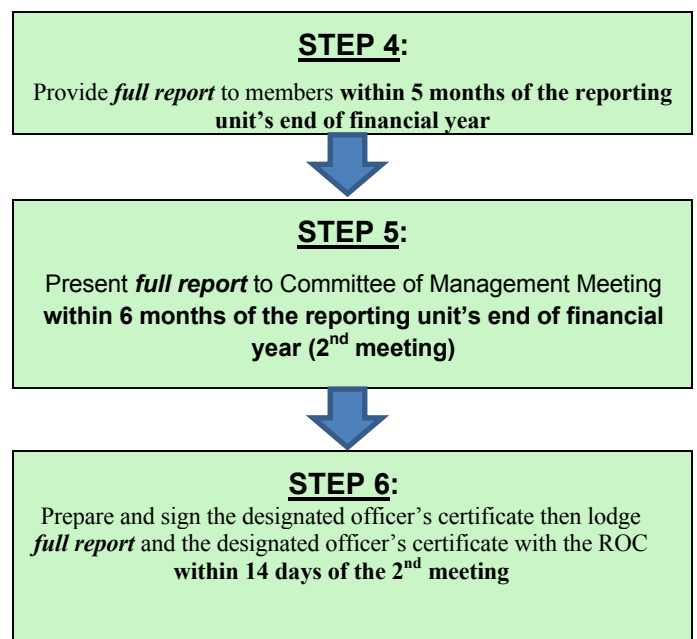
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT  
AT **GENERAL MEETING OF MEMBERS**  
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT  
**COMMITTEE OF MANAGEMENT MEETING**  
(Special rules must be in the rulebook to use this process)



## Misconceptions

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

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## **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 Commissioner'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 exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) 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 ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC 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
<p><b>X</b> Only reporting units must lodge the Statement.</p>	<p><b>✓</b> 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.</p>
<p><b>X</b> Employees can sign the Statement.</p>	<p><b>✓</b> The statement must be signed by an elected officer of the relevant branch.</p>
<p><b>X</b> Statements can be lodged with the financial report.</p>	<p><b>✓</b> 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.</p>

**Grants & Donations within the Financial Report**

Item 14(e) of the Commissioner’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 [ROC's Model Statements](#) the note appears as follows:

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

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, even if the figures are NIL.



## Implications for filing the Financial Report

During their review of the financial report staff of the ROC may 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 last 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 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 ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.