



FAIR WORK
AUSTRALIA

9 June 2011

Ms Therese Howe
Secretary
Independent Education Union of Australia, Western Australian Branch
email: unity@ieuwa.asn.au

Dear Ms Howe

Re: Financial Report for the Independent Education Union of Australia, Western Australian Branch for year ended 31 December 2010 – FR2010/2882

I acknowledge receipt of the financial report for the Independent Education Union of Australia, Western Australian Branch (the Branch) for the year ended 31 December 2010. The report was lodged with Fair Work Australia on 24 May 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Transfers from the Independent union of WA union of employees

The statement of revenue and expenditure suggest that the Branch is financially dependent on The Independent Union of WA Union of Employees. I assume this to mean The Independent Education Union of Western Australia, Union of Employees (IEUWA). It seems, therefore, that the Branch's ability to operate as a going concern appears to be dependent on the IEUWA's capacity and willingness to collect and forward contributions to the Branch. In future years, the notes to the financial statements should explain the basis for the assumption that the Branch can reasonably expect that IEUWA is able and willing to make contributions to the Branch. For example, is there an agreement between the IEUWA and the IEUA, as enabled by rule 7 of the union's rules?

Related party transactions

Paragraph 17 of Australian Accounting Standard 124 (related party transactions) requires that '[i]f there have been transactions between related parties, an entity shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on financial statements.' The paragraph states that, among other things, the amount of transactions and amount of outstanding balances are to be disclosed. It appears that the IEUWA may be a related party. In this is the case, in future years any transactions and outstanding balances with the IEUWA should be disclosed in a note regarding related party transactions.

Statement of changes in equity

[Section 253\(2\)\(a\)](#) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. AASB 101(10) requires that a financial report include a statement of changes in equity. There is no statement of changes in equity included in the report provided to Fair Work Australia. Please ensure that future financial reports contain a statement of changes in equity.

Statement of cash flows

[Section 253\(2\)\(a\)](#) of the Act requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. While the report includes a 'statement of source and application of funds' there is no statement of cash flows. AASB 107 sets out required presentation and required disclosures for a statement of cash flows. Please ensure that future financial reports contain a statement of cash flows that meets the requirements of AASB 107.

Notes to the Cash Flow Statement

Item 15 of the General Manager's Reporting Guidelines (the Guidelines) states that 'where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned'. This is in addition to the requirement to disclose capitation fees to the national office (Guideline 11(b)). In future years please ensure that cash flows to and from the national office, and if relevant any branches, are disclosed in the notes to the cash flow statement.

Audit Report

Scope

The scope of the Auditor's Report on the full financial report should include the Committee of Management statement (section 253(2)(c) of the Act and item 24 of the Guidelines). In future years please ensure that the scope of the Auditor's Report includes the Committee of Management statement.

Notes to Financial Reports

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the *Fair Work (Registered Organisations) Regulations 2009* is available to members on request. Note 2 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

- (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).

Please ensure that future notes contain this extract of the Act word for word.

Fair Work (Registered Organisations) Act 2009

Reference to RAO Schedule of the *Workplace Relations Act 1996* appearing in the Designated Officer's certificate and Committee of Management statement and the *Workplace Relations Act 1996* appearing in note 1 of the notes to the financial statements should properly refer to *Fair Work (Registered Organisations) Act 2009*.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

Certificate of Secretary

s268 of Schedule 1 Workplace Relations Act 1996

I Theresa Howe being the Secretary of the Independent Education Union of Australia (Western Australia Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report, was presented to a meeting of the Executive/Committee of Management on 9th March 2011 and at that meeting passed a resolution relating to the Committee of Management Statement;
- that the full report, including Auditor's Report to Members was provided to members on our website on the 19th April 2011, members were notified by email and/or mail.
- that the full report, including Auditor's Report to Members was provided to members at the General Meeting on the 18th May 2011.

Signed: 
THERESA I HOWE
SECRETARY

Dated: 24/5/2011



Independent Education Union of Australia Western Australian Branch

Committee of Management's Statement

On the 09 March 2011 the Executive Members of the Independent Education Union of Australia, Western Australian Branch passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 2010.

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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;
- 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; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. No orders have been made by the Commission under section 273 of the RAO Schedule during the period.
- f) In relation to the recovery of wages activity;
 - i. There has been no such activity undertaken by the reporting unit.

For Committee of Management:



Theresa Howe
Secretary



Kenneth Maguire
President

Dated:

... 24/5/2011

9.3.11

INDEPENDENT EDUCATION UNION OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT 2010

PRINCIPAL ACTIVITIES FOR THE YEAR

1. Support and advice to members regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's Work Choices legislation.
2. Representation of the industrial and professional interests of the members in a broad range of areas. This includes the Unionswa and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests in the Western Australian Industrial Relations Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes.
3. Submissions to Federal Office for national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community.
4. Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non government schools across the jurisdictions. Monitoring of Commission decisions and decisions from other jurisdictions.
5. Protection and carriage of the Branch's Rules.
6. Negotiation and prosecution of claims for improved salaries and conditions for workers in the ELICOS sector and for staff in a range of Independent Schools.

Results of those activities

1. Continued growth of the Branch's membership.
2. A proactive membership industrially and professionally.
3. Continued public profile of the Branch on behalf of teachers and support staff in non government education.
4. Improvements in the industrial and professional conditions of the membership.

SIGNIFICANT CHANGES IN THE NATURE OF THESE ACTIVITIES.

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

DETAILS OF THE RIGHT OF MEMBERS TO RESIGN

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

21 - RESIGNATION FROM MEMBERSHIP

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

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

DETAILS (INCLUDING POSITION HELD) OF ANY OFFICER OR MEMBER OF THE UNION WHO IS

1. Trustee of a Superannuation Entity;
2. A Director of a Company that is a Trustee of a Superannuation Entity.

Nigel Briggs Trustee of Catholic Superannuation Fund

THE NUMBER OF PERSONS THAT WERE RECORDED IN THE REGISTER OF MEMBERS ON 31 DECEMBER 2010

There were 4118 members on the register of members on 31 December 2010.

THE NUMBER OF PERSONS WHO WERE EMPLOYEES OF THE FEDERAL UNION ON 31 DECEMBER 2010, INCLUDING FULL-TIME OR PART-TIME.

Nil

THE NAMES OF EACH PERSON WHO HAS BEEN A MEMBER OF THE COMMITTEE OF MANAGEMENT AT ANY TIME DURING THE REPORTING PERIOD AND THE PERIOD FOR WHICH HE OR SHE HELD THE POSITION.

The following persons were on the IEUA WA Branch Committee of Management during the months of January - December of the reporting period:

Theresa Howe - January – December 2010
Kenneth Maguire - January – December 2010
Deborah Bourke - January – November 2010
Nigel Briggs - January – December 2010
Nigel Fraser - January – December 2010
Brenda Jean Frost - January – December 2010
Del Murray - January – December 2010
Victoria Bingham - January – December 2010
Marianne Swain - January – December 2010
Carolyn Williams - January – December 2010
Lucy Reeves - January – December 2010
Robert Thomas – December 2010



Theresa Howe
Secretary



Kenneth Maguire
President

Dated: 9 March, 2011

FINANCIAL STATEMENTS

OF

INDEPENDENT EDUCATION UNION OF AUSTRALIA
WA BRANCH

AS AT 31 DECEMBER 2010

ARMSTRONG MATCHAM HUGHES & ROSS
Certified Practising Accountants
Unit 4
20 – 24 Twickenham Road
BURSWOOD WA 6100

INDEPENDENT EDUCATION OF AUSTRALIA

WA BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2010

	<u>2010</u> \$
<u>Current Assets</u>	
Commonwealth Bank Cheque Account	6,310
GST Refund due from the ATO	<u>1,426</u>
<u>Total Assets</u>	<u>\$7,736</u>
<u>Less</u>	
<u>Current Liabilities</u>	<u>-</u>
<u>Net Assets</u>	<u>\$7,736</u>
Represented by –	
<u>Accumulated Funds</u>	
Balance as at 1 January 2010	3,301
Surplus (Deficiency) for the year	<u>4,435</u>
<u>Balance as at 31 December 2010</u>	<u>\$7,736</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

WA BRANCH

STATEMENT OF REVENUE AND EXPENDITURE

FOR TWELVE MONTHS ENDED 31 DECEMBER 2010

<u>2009</u>		<u>2010</u>
	<u>Revenue</u>	
64,000	Transfers from the Independent Union of WA Union of Employees	55,000
-	Interest Received	-
<u>\$64,000</u>	<u>Total Revenue</u>	<u>\$55,000</u>
	<u>Expenditure</u>	
17,883	ACTU – Levy	-
118	Bank Charges	119
1,304	Conference and Meeting Expenses	5,449
500	Donations	-
431	Printing & Stationery	-
36,818	Remittance – Capitation Fees paid to I.E.U. of Australia	42,306
<u>7,212</u>	Travel & Allowances	<u>2,691</u>
<u>\$64,266</u>	<u>Total Expenditure</u>	<u>\$50,565</u>
<u>\$ (266)</u>	<u>Net Operating Income (Deficiency) for the year</u>	<u>\$ 4,435</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA
WA BRANCH
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2010

<u>Source of Funds</u>		\$
Operating surplus for the year		4,435
	<u>Total</u>	<u>\$4,435</u>
<u>Application of Funds</u>		
Increase in Current Assets		
Increase in Cash at Bank – CBA Ltd. Cheque a/c		4,268
Increase in GST Refund due		167
	<u>Total</u>	<u>\$4,435</u>

**INDEPENDENT EDUCATION UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
NOTES TO AND FORMING PART OF THE ACCOUNTS**

NOTE 1

The General Purpose Financial Report has been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements and the Workplace Relations Act 1996.

The accounts are prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

(a) Income Tax

The union is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997. The ongoing applicability of this ruling is at the discretion of the Australian Taxation Office.

(b) Depreciation

There is no depreciation write off reflected in the accounts.

(c) Employee Entitlements

Not applicable to the W.A. Branch.

(d) Cash

For the purpose of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

(e) Goods and Services Tax

Business expenses and assets are recognised net of the amount of GST except where the amount of GST accrued is not recoverable from the Australian Taxation Office.

NOTE 2

Information to be provided to Members or Registrar

In accordance with the requirements of the RAO Schedule of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making 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 be not less than 14 days after the application is given to the reporting unit; and
- (3) A reporting unit must comply with an application made under sub-section (1).

INDEPENDENT EDUCATION UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
NOTES TO AND FORMING PART OF THE ACCOUNTS (CONT'D)

NOTE 3

Affiliation Fees paid	
IEU of Australia	42,306
ACTU Levy	<u> -</u>
	<u>\$42,306</u>

NOTE 4

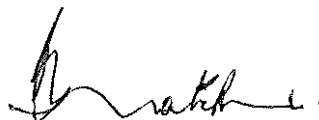
Conferences & Meetings	
Conference Costs	5,449
Travel & Allowances	<u>2,691</u>
	<u>\$ 8,140</u>

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF
INDEPENDENT EDUCATION UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2010 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- b. we have assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of the significant accounting estimates made by the committee.

Armstrong Matcham Hughes & Ross
Certified Practising Accountants


Warren John Matcham (FCPA)
Auditor

Dated in Perth on 8th March 2011.....

ARMSTRONG MATCHAM HUGHES & ROSS PROPRIETARY

Australian Company Number 008 906 625
CERTIFIED PRACTISING ACCOUNTANTS
(Quality Assured by A.S.C.P.A.)
Australian Business Number 31 331 964 926

W J MATCHAM, FCPA

UNIT 4
20 – 24 TWICKENHAM ROAD
BURSWOOD 6100
WESTERN AUSTRALIA

Telephone 9362 5100
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Email amhr@bigpond.com

Our Ref WJM/MS/IEU Audit report



GPO BOX N1075
PERTH, 6843
WESTERN AUSTRALIA

Your Ref _____

AUDITORS REPORT TO THE MEMBERS OF INDEPENDENT EDUCATION UNION OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial performance, statement of financial position and statement of cash flow for the Independent Education Union of Australia, Western Australian Branch for the year ended 31st December 2010.

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

Audit Approach

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

We perform procedures to assess whether in all material respects the financial report presents fairly Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of their performances as represented by the results of their operations and cash flows.

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

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

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

Independence

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

Audit Opinion

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

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009.

Armstrong Matcham Hughes & Ross


WARREN JOHN MATCHAM
F.C.P.A.

Perth, 22 MAR 11