



9 August 2017

Ms Angela Briant
Secretary, Western Australian Branch
Independent Education Union of Australia

Sent via email: ABriant@ieuwa.asn.au

Dear Ms Briant

Re: Independent Education Union of Australia, Western Australian Branch – financial report for year ending 31 December 2016 (FR2016/354)

I refer to the financial report of the Western Australian Branch of the Independent Education Union of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 5 July 2017.

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

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next financial report. Please note that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

References to legislation and the ROC

In last year's correspondence the Branch was requested to ensure that the wording of the notice required under sub-section 272(5) copied the specific wording in the Act. The notice at Note 18 repeated a mis-reference to "Fair Work Australia". Please note that the specific wording of the notice set out in sub-sections 272(1), (2) and (3) has changed as a result of amendments to the RO Act and I draw your attention to the new wording.

In general terms, the Branch should pay close attention to any sections of the RO Act where the wording "Fair Work Commission" or "General Manager" has been altered to "Registered Organisations Commission" or "Commissioner", and use the appropriate wording in each case as necessary.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

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

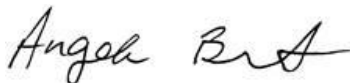
Stephen Kellett
Financial Reporting
Registered Organisations Commission

Certificate for the period ended 31 December 2016

I Angela Briant being the Secretary of the Independent Education Union of Australia WA Branch certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union of Australia WA Branch for the period ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 30 May 2017; and
- that the full report was presented to a meeting of the Committee of Management on 27 May 2017 and to a General Meeting of members on 23 June 2017 of the reporting unit in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Angela Briant

Title of prescribed designated officer:
Secretary

Dated: 5 July 2017

**INDEPENDENT EDUCATION UNION OF AUSTRALIA
WA BRANCH**

ABN 59 914 290 495

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

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INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

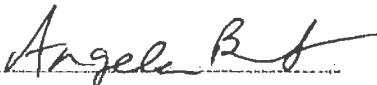
ABN 59 914 290 495

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2016

I Angela Briant being the Secretary of the Independent Education Union of Australia, WA Branch certify:

- That the documents lodged herewith are copies of the full report for the Independent Education Union of Australia, WA Branch for the year ended 31 December 2016 referred to in s.268 of the Fair Work (*Registered Organisations*) Act 2009; and
- That the full report was provided to members of the reporting unit on ³⁰ May 2017; and
- That the full report was presented to a meeting of the committee of management of the Union on ²⁷ May 2017 in accordance with s.266 of the Fair Work (*Registered Organisations*) Act 2009.


Angela Briant
Secretary

²⁸ May 2017

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

OPERATING REPORT

The Branch Committee of Management ("the Committee") present their operating report on the Independent Education Union of Australia WA Branch ("the Union") for the financial year 31 December 2016.

Members of the Committee of Management

The names of the Committee Members in office at any time during or since the end of the financial year are:

- | | | |
|-----|--------------------------|-------------------------------------|
| 1. | A. Walker, President | (1 January 2016 - 30 November 2019) |
| 2. | M. Swain, Vice President | (1 January 2016 - 30 November 2019) |
| 3. | A Briant, Secretary | (1 January 2016 - 30 November 2019) |
| 4. | C. Williams | (1 January 2016 - 30 November 2019) |
| 5. | B. Frost | (1 January 2016 - 30 November 2019) |
| 6. | R. Thomas | (1 January 2016 - 30 November 2019) |
| 7. | A. Milne | (1 January 2016 - 30 November 2019) |
| 8. | L. Reeves | (1 January 2013 - 30 November 2016) |
| 9. | N. Fraser | (1 January 2013 - 30 November 2016) |
| 10. | D. Murray | (1 January 2013 - 30 November 2016) |
| 11. | N. Briggs | (1 January 2013 - 15 April 2016) |

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

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 Unions WA 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 Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes and bargaining.
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 Fair Work Commission decisions and decisions from other jurisdictions.
5. Protection and carriage of the Union's Rules.
6. Negotiation and prosecution of claims for improved salaries and conditions for workers in 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. Improvement's in the industrial and professional conditions of the membership.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

Operating Results

The Union's profit for the year amounted to \$3,335 (2015: loss \$20,012).

Review of Operations

A review of the operations of the Branch during the financial year found that there were no significant changes in nature to these principal activities during the financial year.

Significant Changes in the State of Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

After Balance Date Events

There are no significant events after balance date to be reported.

Member's Right to Resign

Members may resign from the Union by giving written notice to the Union in accordance with rule 21 of the rules of the Union, 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 memberwhichever 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 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.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

OPERATING REPORT

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

Angela Briant, Secretary: (from November 2015)

- (i) a director of Concept One The Industry Superannuation Fund, a superannuation entity and does not hold the position because a criterion for being the trustee or director is that the officer or employee is an officer or employee of the Union.

No other employee of the Union is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Membership of the Union

Number of members as at 31 December 2016: 4,811 (2015: 4,975).

Employees of the Union

At the end of the financial year the Union employed 2 Staff.

Officers & employees who are directors of a company of a member of a board

Name of Officer	Name of Company/Board	Principal Activity
Angela Briant	Director The Children's Book Council of Australia.	Support of Australian Children's and Young Adult Literature

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

Proceedings on Behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2016.

Other Information

There is no other information that the Union considers relevant.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

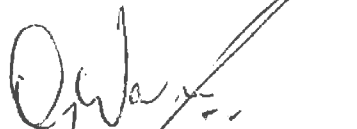
ABN 59 914 290 495

OPERATING REPORT

Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 7.

Signed in accordance with a resolution of the Committee of Members passed on the 28th day of May 2017.



Anthony Walker
President

28 May 2017

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

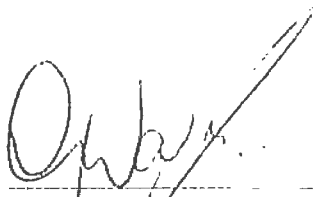
COMMITTEE OF MANAGEMENT STATEMENT

On the ²⁸ day of May 2017 the Committee of Management of Independent Education Union of Australia WA Branch ("Union") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:


The Branch Committee of Management of the Independent Education Union of Australia WA Branch ("the Union") declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year which they relate;
4. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the Executive/Committee of Management were held in accordance with the rules of the Union including the rules of branch concerned; and
 - b. the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - c. the financial records of the Union have been kept and maintained in accordance with the RO Act; and
 - d. 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 consistent manner with each of the other reporting units of the organisations; and
 - e. the information sought in any request by a member of the Union or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - f. no orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Anthony Walker
President



Angela Briant
Secretary

28 May 2017



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Street Address:

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JOONDALUP WA 6027

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AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

As auditor for the audit of Independent Education Union of Australia WA Branch for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Munro + Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Martin Shone

Principal

Dated at Perth, Western Australia this 30th day of May 2016

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016	2015
		\$	\$
Revenue			
Membership Subscription		-	-
Capitation Fees	3A	-	-
Levies	3B	-	-
Grants and/or donations	3C	-	-
Transfers from the Independent Education Union of Western Australia, Union of Employees	3D	113,540	78,864
Other Income	3E	-	643
Total income		113,540	79,507
Expenses			
Employee Expenses	4A	4,070	-
Capitation Fees	4B	78,191	72,535
ACTU Affiliation Fees	4C	27,341	17,236
ACTU IR Levy fees	4D	-	9,294
Administration expenses	4E	603	454
Grants or donations	4F	-	-
Legal costs	4G	-	-
Audit fees	13	-	-
Other expenses	4H	-	-
		110,205	99,519
Net Profit/(Loss) Attributable to Members of the Union		3,335	(20,012)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Union		3,335	(20,012)

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	10,608	5,541
Trade and Other Receivables	5B	2,437	2,991
TOTAL CURRENT ASSETS		13,045	8,532
TOTAL ASSETS		13,045	8,532
LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	6A	-	-
Other Payables	6B	1,178	-
Employee Provisions	7A	-	-
TOTAL CURRENT LIABILITIES		1,178	-
NON- CURRENT LIABILITIES			
Employee Provisions	7A	-	-
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,178	-
NET ASSETS		11,867	8,532
EQUITY			
Retained Earnings		11,867	8,532
TOTAL EQUITY		11,867	8,532

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Retained Earnings \$	Total \$
Balance at 31 December 2014		28,544	28,544
Loss For The Year		(20,012)	(20,012)
Balance at 31 December 2015		8,532	8,532
Profit For The Year		3,335	3,335
Balance at 31 December 2016		11,867	11,867

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Transfer from the Independent Education Union of Western Australia, Union of Employees		113,540	88,864
Receipt from members		-	-
Other income		-	643
Payment to national office	10B	(105,532)	(84,843)
Payment to suppliers	10B	(2,941)	(26,530)
Cash generated from/(used in) from operating activities	10A	<u>5,067</u>	<u>(21,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash used in investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase/(decrease) in Cash and Cash Equivalents During the Year		5,067	(21,866)
Cash and Cash Equivalents at the Beginning of the Year		<u>5,541</u>	<u>27,407</u>
Cash and Cash Equivalents at the End of the Year	5A	<u><u>10,608</u></u>	<u><u>5,541</u></u>

The above statement should be read in conjunction with the notes

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: Union Information

The financial report of Independent Education Union of Australia WA Branch ("Union") for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Union as an individual entity. The Union is registered and domiciled in Western Australia.

The Union is a trade union which represents the industrial interests of the career private sector teachers and other education staff employed within the state of Western Australia.

Number of members at 31 December 2016: 4,811 (2015: 4,975).

The financial statements were authorised for issue on 28 May 2017 by the members of the committee.

Note 2: Summary of Significant Accounting Policies

Basis of Preparation

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 Union is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

Accounting Policies

(a) Revenue

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

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.

Income transferred from the Independent Education Union of Western Australia, Union of Employees 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.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 2: Summary of Significant Accounting Policies (Continued)

(c) **Capitation Fees and Levies**

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

(d) **Borrowing Costs**

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

(e) **Cash**

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

(f) **Financial Instruments**

Financial assets and financial liabilities are recognised when the Union 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.

(g) **Financial Liabilities**

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

(i) ***Fair value through profit or loss***

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 2: Summary of Significant Accounting Policies (Continued)

(g) Financial Liabilities (Continued)

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

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

(ii) *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.

(iii) *Derecognition of financial liabilities*

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) 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.

(i) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(j) 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 to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(k) Taxation

The Union 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:

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 2: Summary of Significant Accounting Policies (Continued)

(k) Taxation

- 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.

(l) Comparative Figures

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

When the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Significant Accounting Judgements and Estimates

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

(o) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The Union has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Union is NIL.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 2: Summary of Significant Accounting Policies (Continued)

(p) **Going Concern**

The Branch is not reliant on financial support of another reporting unit to continue on a going concern basis. However, the Branch is reliant on financial support of the Independent Education Union of Western Australia, Union of Employees and a resolution was passed that the Independent Schools Salaried Officers' Association (ISSOA) (now the Independent Education Union of Western Australia, Union of Employees) will financially support the Branch and pay such costs the Branch may incur from time to time, where those costs are a consequence of common purpose. The Resolution was carried at the Executive meeting of 15th May 2005. See Note 10.

The Union provides no financial support to ensure another reporting unit can continue on a going concern basis.

Note 3: Income

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

	2016	2015
	\$	\$
Note 3A: Capitation Fees	-	-
Note 3B: Levies	-	-
Note 3C: Grants or Donations	-	-
Note 3D: Transfers from IEUwa	113,540	78,864
Note 3E: Other Income	-	643
 Note 4: Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Subtotal employee expenses holders of office	-	-
 Employees other than office holders:		
Wages and salaries	3,616	-
Superannuation	454	-
Subtotal employee expenses other than office holders	4,070	-
 Total employee expenses	4,070	-

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 4B: Capitation Fees		
Independent Education Union of Australia	78,191	72,535
	<hr/>	<hr/>
Note 4C: ACTU Affiliation Fees		
Independent Education Union of Australia	27,341	17,236
	<hr/>	<hr/>
Note 4D: ACTU IR levy fees		
	-	9,294
	<hr/>	<hr/>
NOTE 4E: ADMINISTRATION EXPENSES		
Bank charges	108	110
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conferences	-	-
Conference and meeting expenses	495	344
Total administration expense	603	454
	<hr/>	<hr/>
Note 4F: Grants or Donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
	<hr/>	<hr/>
Note 4G: Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
	<hr/>	<hr/>
Note 4H: Other expenses		
Penalties – via RO Act or RO Regulations	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

Note 5: CURRENT ASSETS

The Union has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets.

The Union has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 5A: Cash and Cash Equivalents		
Cash at bank	10,608	5,541
Total cash and cash equivalents	10,608	5,541
Note 5B: Trade and Other Receivables		
Receivables from other reporting units	-	-
Total receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	-	-
Other receivables:		
- GST receivable from the Australian Taxation Office	2,457	2,991
- Other receivables	(20)	-
Total other receivables	2,437	2,991
Total trade and other receivables	2,437	2,991
Note 6: CURRENT LIABILITIES		
Note 6A: Trade Payables		
Trade creditors and accruals	-	-
Payables to other reporting units		
Independent Education Union of WA, Union of Employees	594	-
Total trade payables	594	-
Note 6B: Other Payables		
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
PAYG withholding	584	-
Total other payables	584	-
Total trade and other payables	1,178	-

Trade and other payables are unsecured and are generally traded on 30 - 90 days credit terms.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 7: Employee Provisions		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Subtotal employee provisions – office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	-	-
Long service leave	-	-
Subtotal employee provisions – employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u><u>-</u></u>	<u><u>-</u></u>
Current	-	-
Non current	-	-
Total employee provisions	<u><u>-</u></u>	<u><u>-</u></u>
Note 8: Other Specific Disclosures – Funds	<u>-</u>	<u>-</u>

Note 9: Segment Information

The Union operates in one business and one geographic segment. Hence no separate segment information has been provided.

Note 10: Cash Flow

Note 10A: Cash Flow Reconciliation

	2016	2015
	\$	\$
Reconciliation of profit to net cash from operating activities:		
Profit/(loss) for the year	3,335	(20,012)
Changes in assets/liabilities		
- (Increase)/decrease in trade and other receivables	554	245
- Increase/(decrease) in other payables	1,178	(2,099)
Net cash generated from/(used in) from operating activities	<u><u>5,067</u></u>	<u><u>(21,866)</u></u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 10B: Cash flow Information		
Cash inflows		
Transfers from IEUWA savings to cover capitation fees payment	113,540	88,864
Other Income	-	643
Total cash inflows	113,540	89,507
Cash outflows		
Capitation fees to IEUA	(81,132)	(84,843)
Australian Council of Trade Union Affiliation fees & levy	(27,341)	(26,530)
Total cash outflows	(108,473)	(111,373)

Note 11: Related Party Disclosures

The Independent Education Union of WA, Union of Employees is a trade union which represents the industrial interests of the career private industry teachers and other education staff employed within the state of Western Australia. The Union is a trade union which is incorporated and domiciled in Australia and has since the inception of the IEU WA Branch provided financial and other resource support. A resolution was passed at the Executive Meeting of 15th May 2005, that the Independent Schools salaried officers' association (ISSOA) (now the Independent Education Union of Western Australia, Union of Employees) will financially support the Branch and pay such costs the branch may incur from time to time, where those costs are a consequence of common purpose.

Note 11A: Related Party Transactions for the Reporting Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2016	2015
	\$	\$
Revenue received from the following:		
- Independent Education Union of WA (Union of Employees)	113,540	78,864
	<u>113,540</u>	<u>78,864</u>

Note 12: Commitments and contingencies

Capital commitments

As at 31 December 2016 the Union has no material commitments or contingencies.

Note 13: Remuneration of Auditors

Value of the services provided

- Financial statement audit services	-	-
- Other services	-	-
Total remuneration of auditors	<u>-</u>	<u>-</u>

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 14: Events after the reporting period

There were no events that occurred after 31 December 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

Note 15: Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents	10,608	5,541
Trade and other receivables	2,437	2,991
Total financial assets	13,045	8,532
Financial liabilities		
Trade and other payables	1,178	-
Total financial liabilities	1,178	-

The Committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Union does not have any derivative instruments at 31 December 2016.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(i) Credit risk

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; and (b) default by tenants to pay for the rent charges

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 15: Financial Risk Management (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	1,178	-	-	-	-	-	1,178	-
Total expected outflows	1,178	-	-	-	-	-	1,178	-
Financial Assets — cash flows realisable								
Cash and cash equivalents	10,608	5,541	-	-	-	-	10,608	5,541
Trade and other receivables	2,437	2,991	-	-	-	-	2,437	2,991
Total anticipated inflows	13,045	8,532	-	-	-	-	13,045	8,532
Net (outflow)/inflow on financial instruments	11,867	8,532	-	-	-	-	11,867	8,532

(iii) Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

(b) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 15: Financial Risk Management (Continued)

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 31 December 2016		
+/-1% in interest rates	-	-
Year ended 31 December 2015		
+/-1% in interest rates	-	-

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 15: Financial Risk Management (Continued)

	Note	2016		2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	10,608	10,608	5,541	5,541
Trade and other receivables	(i)	2,437	2,437	2,991	2,991
Total financial assets		<u>13,045</u>	<u>13,045</u>	<u>8,532</u>	<u>8,532</u>
Financial liabilities					
Trade and other payables	(i)	<u>1,178</u>	<u>1,178</u>	-	-
Total financial liabilities		<u>1,178</u>	<u>1,178</u>	-	-

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 16: 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 the General Manager of Fair Work Australia:

- (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).



Anderson Munro & Wyllie

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

Opinion

We have audited the accompanying financial report of Independent Education Union of Australia WA branch ("the Union") which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, the designated officer's certificate, operating report and the committee of management statement.

In our opinion:

- (1) The financial report of Independent Education Union of Australia WA Branch has been prepared in accordance with the *Fair Work (Registered Organisations) Act 2009 (Commonwealth)*, including:
 - (i) giving a true and fair view of the union's financial position as at 31 December 2016 and of its financial performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the International Financial Reporting Standards as disclosed in Note 2.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - a. the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - b. the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided;
- (4) There was no deficiency, failure or shortcoming in any matter referred to in (1) to (3) above; and
- (5) Management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free of material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility* section of our report. We are independent of the Union in accordance with the *Corporations Act 2001* and 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.



Other information

The committee of the Union is responsible for the other information. The other information comprises the information in the Union's annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Committee's responsibility for the financial report

The committee of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009* and for such internal control as the committee determines 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 note 2, the committee also state, in accordance with Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*.

In preparing the financial report, the committee is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee's either intend to liquidate the Union or to cease operations, or have no realistic alternative to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are 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 this financial report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the union's preparation of the financial report that gives a true and fair view 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.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.



We conclude on the appropriateness of the Committee 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.

We 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.

We 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 the Committee regarding, amongst 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Anderson munro + wylie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

Martin Shone

MARTIN SHONE

Principal & Registered Company Auditor

Dated at Perth, Western Australia this 30th day of May 2017



Anderson Munro & Wyllie

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30 May 2017

The Committee of Management
Independent Education Union of Australia
WA Branch
PO Box 379
Belmont WA 6984

Dear Committee Members

MANAGEMENT LETTER 2016

We have completed our audit of the Independent Education Union of Australia, Western Australia Branch ("The Union") for the year ended 31 December 2016.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. While our procedures are designed to identify any material weaknesses and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have the following matters to report to you arising from our audit.

GST incorrectly recorded

During our review of bank fees, we found that the monthly expense was recorded net of GST when no GST applied. We found the GST portion of these expenses to be immaterial and therefore we did not adjust the financial statements.

We recommend that in future care be taken to ensure that GST is only claimed on expense items that are taxable supplies.

BAS preparation

During our audit, we noted that the monthly BAS for September and December 2016 quarters were not correctly prepared in all instances. For example, there were no sales recorded on the BAS's, however the GST summary for these two (2) quarters indicated that there were 'No Tax sales' which should have been recorded on the BAS.

We recommend that in future you ensure that activity statements are prepared in accordance with Australian Taxation Office guidelines. All income is to be reported on BAS, including 'N-T' amounts which should be separately reported.



Audit errors and adjustments

During our audit we identified errors or differences that have been communicated and acknowledged in the representation letter.

We would like to take this opportunity to thank Angela, Simon and Latha for the assistance provided during the course of the audit.

If you would like to discuss any matter in relation to the audit, please do not hesitate to contact us.

Yours sincerely

ANDERSON MUNRO & WYLLIE

MARTIN SHONE

Principal