



5 July 2018

Mr Nick Player  
President  
Industrial Staff Union – PSA of NSW

Mr Loi Kah Tsia  
Auditor

Sent via email:

Dear Mr Player, Mr Tsia,

**Re: – Industrial Staff Union – PSA of NSW - financial report for year ending 30 June 2017 (FR2017/159)**

Thank you for your responses to my correspondence of 15 June 2018. I also acknowledge receipt of the copy of the Auditor report in accordance with the new format prescribed by Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Your respective advices have been carefully considered. Where the organisation's advice is concerned, the Registered Organisations Commission ('ROC') understands that extraordinary circumstances can arise from time to time, including unplanned absences for pressing reasons as well as casual office vacancies, and notes how these arose in this case.

As a regulatory body, the ROC is obliged to draw the attention of registered organisations and auditors to their obligations under the *Fair Work (Registered Organisations) Act 2009 (RO Act)* whenever statutory provisions may be contravened.

In this case, it appears that the organisation may have failed to comply with:

- a) prescribed time frame provisions under sections 253, 254 and 266 of the RO Act; and
- b) possibly the requirement of subsection 256(1) to ensure that "there is an auditor of the reporting unit at any time when an auditor is required for the purposes of this Part".<sup>1</sup>

In view of this, I make the following comments.

Firstly, although, as the organisation has submitted, making alternative arrangements with another registered auditor at the time of the Auditor's departure overseas would not have assisted in having the audit completed within the required timeframe it might have resulted in a less delayed timeframe with:

- 1) the completion of the audit,
- 2) the provision of the full report to members; and
- 3) the holding of the annual general meeting of members.

In such circumstances, the ROC considers that an organisation generally should take whatever steps are possible to mitigate potential contraventions of a civil penalty provision of the RO Act.

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<sup>1</sup> i.e. Part 3 of Chapter 8

The standards set out in the RO Act are directed to ensuring that registered organisations are:

- accountable to their members;
- efficiently managed and operate effectively; and
- enable participation by members in the affairs of the organisation.

Officers of an organisation are also held to high standards and must comply with the general duties in relation to the financial management of the organisation as set out in Part 2 of Chapter 9 of the RO Act.

Secondly, I note the organisation's submission that the committee of management was under-resourced during the 5 months following the resignations of the Secretary, Assistant Secretary and Treasurer in March 2017. However, although the rules provide that particular officers have particular duties, at all times the government of the union remained with the committee of management<sup>2</sup> which was theoretically capable of quorate meetings<sup>3</sup> from at least August 2017. The ROC considers that an organisation generally should take whatever steps are possible to ensure that such contingencies are provided for as to ensure the committee of management can comply with its obligations under the RO Act.

Thirdly, where it becomes apparent to an Auditor, or to an organisation, or to both, that it will not be possible to carry out the duties<sup>4</sup> required by the RO Act, including completing an audit within a reasonable time, the ROC considers the organisation and/or the Auditor, as appropriate, should take such steps as are necessary to achieve or facilitate compliance.

### **Concluding remarks**

After considering all the information provided, the report has now been filed. There is no other action required in relation to the report lodged, except that the new format Auditor's report must be made available to the members.

Please note that the report for the year ending 30 June 2018 may be subject to an advanced review, and the ROC will pay particular attention to the organisation's compliance with the prescribed time frames. I also make the following comment to assist you when preparing the next report.

#### Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting Standards issued but not yet effective with an assessment of the future impact on the entity.

The statement in Note 1.4 on page 10 of the report does not satisfy the disclosure requirements under AASB 108 paragraph 30.

#### Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, 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](#).

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<sup>2</sup> See rule 6

<sup>3</sup> See rule 12(3)

<sup>4</sup> See section 257

If you have any questions about the above, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

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

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

# • Industrial Staff Union •

Industrial Staff Union  
industrialstaffunion@gmail.com Ph:0499 799 054 ABN: 65 903 110 0044  
Registered Office: 160 Clarence St Sydney NSW 2000

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**President**  
**Vice President**  
**Treasurer**

Nick Player  
Phoebe Dangerfield  
Roland Harris

# ISU

**Secretary** Jen Mitchell  
**Assistant Secretary** Michelle Mackintosh

29 June 2018

Stephen Kellett  
Registered Organisation Commission  
GPO Box 2983  
Melbourne VIC 3001

Stephen.Kellett@roc.gov.au

Dear Mr Kellett,

Thank you for your letter dated 15 June 2018 in which you sought responses to questions concerning the financial report for the year ending 30 June 2017 (FR2017/159) for the ISU.

This letter is written in conjunction with a letter by our auditor which has also been provided. That letter provides responses in regard to the points raised in sections 2 and 3 of your letter. Our response below refers to the first section – Timescale requirements.

There was a miscommunication / misunderstanding between the auditor and the previous secretary of the ISU as to the date the auditor required our financial records that resulted in the ISU providing that information to him on the day that he went overseas. Consequently he did not have sufficient time to complete the audit. At that stage making alternative arrangements with another auditor would not have assisted in having the audit completed within the appropriate timeframe that was required.

The ISU acknowledges that we were in error in not providing the information in a timely manner to the auditor. There were several factors leading to this error.

- In early March 2017 both the Secretary and the Assistant Secretary resigned from their positions on the ISU's Executive Team. Elections resulted in those positions being filled in August 2017 (during that election process the Treasurer resigned from that role and successfully ran for the Assistant Secretary role but no one nominated for the Treasurer role). As a result of this the Executive Team were under resourced for approximately a 5 month period.
- The above was further exacerbated by the President taking significant periods of unplanned time away from work and his ISU duties [REDACTED]  
[REDACTED]

● ISU ●

# • Industrial Staff Union •

Industrial Staff Union  
[industrialstaffunion@gmail.com](mailto:industrialstaffunion@gmail.com) Ph:0499 799 054 ABN: 65 903 110 0044  
Registered Office: 160 Clarence St Sydney NSW 2000

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**President**  
**Vice President**  
**Treasurer**

Nick Player  
Phoebe Dangerfield  
Roland Harris

**ISU**

**Secretary**  
**Assistant Secretary**

Jen Mitchell  
Michelle Mackintosh

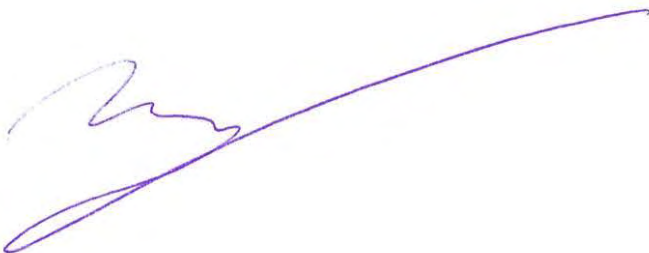
- On 5 August 2016 the “Industrial Staff Union” was deregistered by the Industrial Relations Commission and the resources held by the state organisation were transferred to the now Federally registered Industrial Staff Union – PSA of NSW. This resulted in the requirement of audits under both Federal and State jurisdictions.
- Prior to the move to the Federal jurisdiction the Industrial Relations Commission had directed that previous years required re-auditing due to concerns over the certification of the auditor who had acted during that time. Our current auditor performed that task.

The previous Secretary actively took on the role to assist with the progression of the audit. As a consequence of all of the above we misunderstood the timing requirements between the state and federal systems.

You may be aware that the ISU has recently gone through election processes with the Australian Electoral Commission and we now have all positions on the Executive team filled. All have gone through Governance training and we are actively assessing how we perform our roles to ensure we address all requirements. Further we are establishing measures that ensure stability in the future and ameliorate the impact of change.

We apologise for the delay in meeting the timescale requirements. Please do not hesitate to contact if we can be of further assistance.

Yours faithfully,



**Nick Player**  
President  
Industrial Staff Union

**ISU**

● ISU ●

# L. K. Tsia

Telephone: 9267 6533  
AH: 9344 8723  
Fax: 9283 4908

Chartered Accountant B COM., F.C.A

Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
Sydney NSW 2000

26 June 2018

**Stephen Kellett**  
**Registered Organisations Commission**  
GPO Box 2983  
Melbourne VIC 3001

*Via Email*

Dear Stephen,

**Re: - Comments on the Industrial Staff Union – PSA of NSW – financial report for year ending 30 June 2017 (FR2017/159) per letter dated 15 June 2018**

## Auditor's Statement

### New Format for Auditor's Statement

The auditor's statement has been amended and prepared in accordance with the new format. The new auditor's statement is attached with this letter.

## General Purpose Financial Report

### Disclosure of Audit Fees

The period described as "2015-2016" at Note 4G is correct and not a typographical error for "2016-2017".

The Industrial Staff Union ABN 71 021 793 523 (ISU) fees are in relation to work completed for the ISU. The ISU was deregistered on 5 August 2016 by the Industrial Relations Commissioner of New South Wales.

Description	FYE 2017	FYE 2016
2013 to 2016 Audit Fee	\$7,260.00	-
2013 to 2016 Other Services	\$7,700.00	-

A new Union in the name of the Industrial Staff Union – PSA of NSW ABN 65 903 110 044 under the Fair Work (Registered Organisations) Act 2009 took over the ISU's union activities. These fees were split as follows:

Description	FYE 2017	FYE 2016
2015 – 2016 Audit Fee	\$2,860.00	-
2015 – 2016 Other Services	\$1,760.00	-

We note that these fees were each paid in the FYE 2017 period.

Activities under Reporting Guidelines (RGs) not disclosed

Aside from the items below, the activities detailed under Items 21 and 23 for the activities identified in items 20 and 22 being 20(c), 20(d) and 22(c) did not occur during the financial period.

<u>Item under the RGs</u>	<u>Comments</u>	<u>2017</u>	<u>2016</u>
22a	Industrial Staff Union Account BSB 032-016 Account Number 55 53 65 Bank: Westpac  The above is the only account operated by the union. There are no other accounts.	169,227.94	156,871.46
22d	The State registered Industrial Staff Union ceased operations as of 4 April 2016 and was deregistered on 5 August 2016. The balance of funds being \$162,638.80 were transferred to the Federally registered Industrial Staff Union – PSA of NSW on 4 April 2016.		162,638.80

If you have any questions about the above, please do not hesitate to contact me by email at [ttsia@lksia.com.au](mailto:ttsia@lksia.com.au) or phone on (02) 9267 6533.

Yours faithfully



LOI KAH TSIA, B. Com., F.C.A.  
Chartered Accountant  
Registered Company Auditor  
Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
SYDNEY NSW 2000

## **INDEPENDENT AUDIT REPORT**

To the members of the Industrial Staff Union - PSA of NSW

### **Report on the Audit of the Financial Statement**

#### **Opinion**

I have audited the financial report of the Industrial Staff Union - PSA of NSW (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Industrial Staff Union - PSA of NSW as at 30 June 2017, 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Independence**

In conducting my audit, I have complied with the applicable independence requirements of the Australian professional ethical pronouncements.

#### **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.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



**INDUSTRIAL STAFF UNION - PSA OF NSW**  
**ABN 65 903 110 044**

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

The Committee of Management of the Reporting Unit is responsible for the 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 Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibility**

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

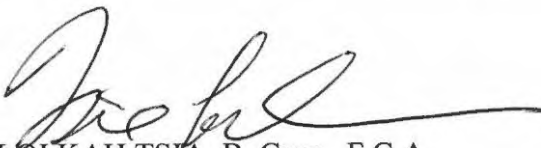
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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 Reporting Unit'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

SIGNED AT SYDNEY this 30th day of January 2018



LOI KAH TSIA, B. Com., F.C.A.  
Chartered Accountant  
Registered Company Auditor  
Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
SYDNEY NSW 2000



15 June 2018

Mr Nick Player  
President  
Industrial Staff Union – PSA of NSW

Sent via email:

Dear Mr Player

**Re: – Industrial Staff Union – PSA of NSW - financial report for year ending 30 June 2017 (FR2017/159)**

I refer to the financial report of the Industrial Staff Union – PSA of NSW. The documents were lodged with the Registered Organisations Commission ('ROC') on 5 March 2018.

The financial report has not yet been filed. I have examined the report and identified a number of matters, the details of which are set out below, about which I require your advice before filing the report.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 4<sup>th</sup> edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

### 1. Timescale requirements

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

I note that the following timescale requirements were not met:

#### Preparation of the General Purpose Financial Report (GPFR)

Sections 253 and 254 of the RO Act require that a GPFR and an Operating Report be prepared as soon as practicable after the end of the financial year. Section 266 requires that the full report be presented to a General Meeting of members or a Committee of Management Meeting within six months after the end of the financial year. In the absence of an extension of time for holding a General Meeting (see section 265(5)) the latest possible date for lodgement with the ROC is six months and 14 days after the end of the financial year (i.e. 14 January 2018).

The Committee of Management statement indicates that a resolution relating to the GPFR and Operating Report was not made until 30 January 2018, which was *seven* months after the end of the financial year, and 16 days *after* the latest date prescribed for lodgement with the ROC.

#### Reports must be presented to General Meeting within 6 months after end of financial year

Under section 266(1) of the RO Act, the report must be presented to a General Meeting of members within 6 months after the end of the financial year (i.e. 31 December 2017). The Designated Officer's Certificate states that the financial report was presented to a General Meeting

of members on 26 February 2018. This was 1 month and 26 days after the latest date ordinarily prescribed, and 26 days after the latest date that could have been allowed under an extension of time application granted by the Commissioner.

The ROC records show that an extension of time request was made on 20 December 2017. At that time the financial and operating reports had not been prepared, and the audit was not expected to commence until the first week of January 2018. The extension request was not granted therefore because the maximum period of one month available to the Commissioner to grant would not have been long enough to allow the reporting unit to prepare the financial statements, have the audit completed, provide the full report to the members 21 days prior to a general meeting, and then present the full report to a general meeting by 31 January 2018.

In respect of the timescale requirements, please advise:

- (1) when the reporting unit first became aware that the auditor was overseas and not able to commence the audit until the first week of January 2018;
- (2) why the reporting unit did not, and/or was not able to, take steps to prepare the GPFR or Operating report within the prescribed time periods, including, if appropriate, making alternative arrangements with another registered auditor.

## **2. Auditor's Statement**

### New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. A '[Guidance Note](#)' has been available on the ROC website to help Registered Organisations understand the new auditing requirements since August 2017.

The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

In respect of the auditor's statement, please advise:

- (3) why the auditor did not prepare an Auditor's statement in accordance with the new format.

## **3. General Purpose Financial Report**

### Disclosure of audit fees

Note 4G "Remuneration of Auditors" includes disclosure of amounts for 'Audit fees' and for 'Other services' for the reporting unit for "2015-2016".

In respect of the above disclosure, please advise:

- (4) whether the period described as "2015-2016" at Note 4G is correct or a typographical error for "2016-2017".

### Activities under Reporting Guidelines (RGs) not disclosed

Items 21 and 23 of the RGs state that if the activities identified in items 20 and 22 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure has been made:

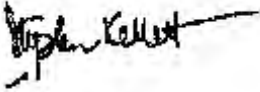
- 20(c) – employee provisions in respect of office-holders
- 20(d) – employee provisions in respect of employees (other than office-holders)
- 22(a) - name and balance of each fund or account for compulsory levies or voluntary contributions
- 22(c) – name and balance of each fund or account (other than the general fund) required by the rules of the organisation
- 22(d) - details of any transfer or withdrawal to a fund, account or controlled entity

In respect of the omission of nil activity disclosures for the above matters, please confirm:

(5) that the activities listed did not occur during the financial year.

If you have any questions about the above, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink, appearing to read "Stephen Kellett", with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**FINANCIAL STATEMENTS 2016–17**

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**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2017

I, Greg Corrigan, being the President of the Industrial Staff Union – PSA of NSW certify:

- that the documents lodged herewith are copies of the full report for the Industrial Staff Union – PSA of NSW for the year ended 30 June 2017 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 January 2018; and
- that the full report was presented to a general meeting of members of the reporting unit on 26 February 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....



Name of prescribed designated officer: Greg Corrigan

Title of prescribed designated officer: President

Dated: 5 March 2018

# Industrial Staff Union, PSA of NSW

## ABN 65 903 110 044

### OPERATING REPORT

*for the year ended 30 June 2017*

The committee presents its report on the reporting unit for the financial year ended 30 June 2017.

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

The principle activity of the Industrial Staff Union was the representation and support of the members of the ISU. There was no change in the nature of these activities during the year.

#### **Significant changes in financial affairs**

The state registered "Industrial Staff Union" has ceased operation as of 4 April 2016 and was deregistered by the Industrial Relations Commission on the 5 August 2016. The resources held by the state organisation in the form of cash of \$162,639 have been transferred to the Federally registered Industrial Staff Union – PSA of NSW.

#### **Right of members to resign**

Members of the Industrial Staff Union have the right to resign with written notice from the Union by following Clause 5(7) of the Union's constitution.

#### **Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee**

Nil

#### **Number of members**

The number of members at 30 June 2017 is 83.

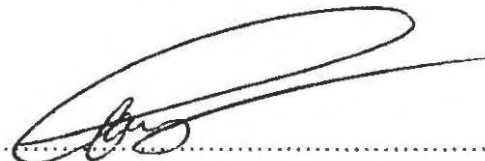
#### **Number of employees**

Nil

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

Greg Corrigan	President	1 July 2016 to 30 June 2017
Phoebe Dangerfield	Vice President	1 July 2016 to 30 June 2017
Blake Stephens	Secretary	1 July 2016 to 9 March 2017
Marianne Ledic	Assistant Secretary	1 July 2016 to 8 March 2017
Michelle Mackintosh	Treasurer	1 July 2016 to 27 March 2017
Michelle Mackintosh	Acting Secretary	28 March 2017 to 30 June 2017

Signature of designated officer:



Name and title of designated officer:

Greg Corrigan, President

Dated:

30 January 2018



# Industrial Staff Union, PSA of NSW

## ABN 65 903 110 044

### COMMITTEE OF MANAGEMENT STATEMENT

*for the year ended 30 June 2017*

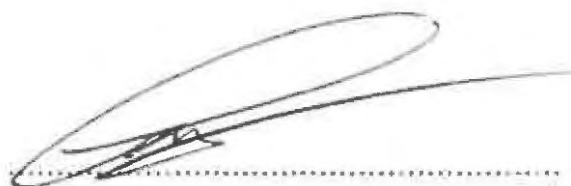
On the 30 January 2018 the Management Committee of the Industrial Staff Union passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Management Committee 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;
- (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.

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

Signature of designated officer:



Name and title of designated officer:

Greg Corrigan, President

Dated:

30 January 2018

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2017*

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Membership subscription*		44,692	13,156
Capitation Fees*	3A	-	-
Levies*	3B	-	-
Other revenue		190	9
<b>Total revenue</b>		<b>44,882</b>	<b>13,165</b>
<b>Other Income</b>			
Grants and/or donations*	3C	-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>44,882</b>	<b>13,165</b>
<b>Expenses</b>			
Employee expenses*	4A	-	-
Capitation Fees*	4B	-	-
Affiliation fees*	4C	79	-
Administration expenses*	4D	-	-
Grants or donations*	4E	-	-
Legal costs*	4F	8,306	17,489
Audit fees	4G	19,580	-
Other expenses*	4H	4,561	1,444
<b>Total expenses</b>		<b>32,526</b>	<b>18,933</b>
<b>Profit (loss) for the year</b>		<b>12,356</b>	<b>(5,768)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>12,356</b>	<b>(5,768)</b>

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

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2017*

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents*	5A	169,227	156,871
Trade and other receivables*	5B	-	-
<b>Total current assets</b>		<u>169,227</u>	<u>156,871</u>
<b>Total assets</b>		<u>169,227</u>	<u>156,871</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables*	6A	-	-
Other payables*	6B	-	-
Employee Provisions*		-	-
<b>Total current liabilities</b>		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>169,227</u>	<u>156,871</u>

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

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2017*

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2015</b>		-	-	-
Transfer from state Industrial Staff Union	10	162,639	-	163,639
Profit for the year		(5,768)	-	(5,768)
<b>Closing balance as at 30 June 2016</b>		<b>156,871</b>	-	<b>156,871</b>
Loss for the year		-	-	-
Profit for the year		12,356	-	12,356
<b>Closing balance as at 30 June 2017</b>		<b>169,227</b>	-	<b>169,227</b>

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

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**CASH FLOW STATEMENT**  
*for the year ended 30 June 2017*

	Notes	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Other		44,882	13,165
<b>Cash used</b>			
Suppliers		32,526	18,933
<b>Net cash from (used by) operating activities</b>	8A	<u>12,356</u>	<u>(5,768)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Transfer of cash from state Industrial Staff Union		-	162,639
<b>Net cash from (used by) financing activities</b>		<u>-</u>	<u>162,639</u>
<b>Net increase (decrease) in cash held</b>		<u>12,356</u>	<u>156,871</u>
Cash & cash equivalents at the beginning of the reporting period		<u>156,871</u>	-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<u>169,227</u>	<u>156,871</u>

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

# **Industrial Staff Union, PSA of NSW**

## **ABN 65 903 110 044**

### **Index to the Notes of the Financial Statements** **For the Year Ended 30 June 2017**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Current liabilities
Note 7	Cash flow
Note 8	Related party disclosures
Note 9	Financial instruments
Note 10	Business combination
Note 11	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

# **Industrial Staff Union, PSA of NSW**

## **ABN 65 903 110 044**

### **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 Industrial Staff Union – PSA of NSW is a not-for-profit entity.

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

#### **1.2 Comparative amounts**

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

#### **1.3 Significant accounting judgements and estimates**

No accounting assumption or estimate has been identified that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **1.4 New Australian Accounting Standards**

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

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

##### ***Future Australian Accounting Standards Requirements***

No new standard, amendment to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are expected to have a future financial impact on Industrial Staff Union – PSA of NSW.

#### **1.5 Revenue**

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

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

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.

# Industrial Staff Union, PSA of NSW

## ABN 65 903 110 044

### Note 1 Summary of significant accounting policies (continued)

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.

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

#### 1.6 Cash

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

#### 1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Industrial Staff Union – PSA of NSW 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.

#### 1.8 Taxation

The Industrial Staff Union – PSA of NSW 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). The entity is not registered for 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.



**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

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

**1.9 Acquisition of assets and or liabilities that do not constitute a business combination**

The net book value of assets and or liabilities transferred to the Industrial Staff Union – PSA of NSW for no consideration as a result of the proposed closure of the state registered "Industrial Staff Union". The resources held by the state organisation in the form of cash of \$162,639 have been transferred to the Federally registered Industrial Staff Union – PSA of NSW.

**1.10 Going concern**

The Industrial Staff Union – PSA of NSW is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Industrial Staff Union – PSA of NSW has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Industrial Staff Union – PSA of NSW.

	2017	2016
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees<sup>1</sup></b>		
	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies<sup>*</sup></b>		
	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Grants or donations<sup>1</sup></b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

<sup>1</sup>As required by the Reporting Guidelines. Item to remain even if 'nil'.

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

	2017	2016
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee expenses</b>	<u>-</u>	<u>-</u>
<b>Note 4B: Capitation fees*</b>		
	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 4C: Affiliation fees*</b>		
Union NSW	79	-
<b>Total affiliation fees/subscriptions</b>	<u>79</u>	<u>-</u>
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
<b>Total administration expenses</b>	<u>-</u>	<u>-</u>

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

	2017	2016
	\$	\$
<b>Note 4E: Grants or donations*</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

**Note 4F: Legal costs\***

Litigation	-	12,000
Other legal matters	8,306	5,489
<b>Total legal costs</b>	<b>8,306</b>	<b>17,489</b>

**Note 4G: Remuneration of Auditors**

**Value of the services provided**

**Industrial Staff Union**

2013 to 2016 – Audit Fees	7,260	-
2013 to 2016 – Other Services	7,700	-

**Industrial Staff Union, PSA of NSW**

2015 to 2016 – Audit Fees	2,860	-
2015 to 2016 – Other Services	1,760	-

<b>Total remuneration of auditors</b>	<b>19,580</b>	<b>-</b>
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**Note 4H: Other expenses**

Penalties - via RO Act or RO Regulations*	-	-
Bowlers Club	-	1,444
Insurance – Travel	1,141	-
MYOB	420	-
Functions	3,000	-
<b>Total other expenses</b>	<b>4,561</b>	<b>1,444</b>

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

	2017	2016
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	169,227	156,871
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	<u>169,227</u>	<u>156,871</u>
<b>Note 5B: Trade and Other Receivables</b>		
Receivables from other reporting units*	-	-
Less provision for doubtful debts*	-	-
<b>Receivable from other reporting units (net)</b>	<u>-</u>	<u>-</u>
<b>Other receivables:</b>		
Other trade receivables	-	-
<b>Total other receivables</b>	<u>-</u>	<u>-</u>
<b>Total trade and other receivables (net)</b>	<u>-</u>	<u>-</u>
<b>Note 6 Current Liabilities</b>		
<b>Note 6A: Trade payables</b>		
Payables to other reporting units*	-	-
<b>Total trade payables</b>	<u>-</u>	<u>-</u>
Settlement is usually made within 30 days.		
<b>Note 6B: Other payables</b>		
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
<b>Total other payables</b>	<u>-</u>	<u>-</u>
Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
<b>Total other payables</b>	<u>-</u>	<u>-</u>

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

2017                      2016  
 \$                              \$

**Note 7    Cash Flow**

**Note 7A: Cash Flow Reconciliation**

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

**Cash and cash equivalents as per:**

Cash flow statement	169,227	156,871
Balance sheet	169,227	156,871
<b>Difference</b>	<u>          -</u>	<u>          -</u>

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

**Operating Activities**

Profit/(deficit) for the year	12,356	(5,768)
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Adjustments for non-cash items:	-	-
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Changes in assets/liabilities:	-	-
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<b>Net cash from (used by) operating activities</b>	<u>12,356</u>	<u>(5,768)</u>
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**Note 8    Related Party Disclosures**

There were no related party transactions.

**Note 9    Financial Instruments**

**Note 9A: Categories of Financial Instruments**

**Financial Assets**

Cash and cash equivalents	169,227	156,871
<b>Total</b>	<u>169,227</u>	<u>156,871</u>

<b>Carrying amount of financial assets</b>	<u>169,227</u>	<u>156,871</u>
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**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**Note 10 Business Combination**

The below transaction refers to the financial year ended 30 June 2016.

The state registered "Industrial Staff Union" ceased operation as of 4 April 2016 and was deregistered by the Industrial Relations Commission on the 5 August 2016. The resources held by the state organisation in the form of cash of \$162,639 were transferred to the Federally registered Industrial Staff Union – PSA of NSW on 4 April 2016.

**Note 11 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).

# **Industrial Staff Union, PSA of NSW**

## **ABN 65 903 110 044**

### **Independent Audit Report**

To the members of the Industrial Staff Union – PSA of NSW

### **Report on the Financial Statements**

I have audited the accompanying financial report of the Industrial Staff Union – PSA of NSW for the year ended 30th June 2017 which comprises the statement of financial position, the statement of comprehensive income, statement of changes in equity, statement of cash flows, a summary of significant accounting policies and other explanatory notes and the Committee of Management statement.

### **Committee of Management's Responsibility for the Financial Report**

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**INDEPENDENT AUDIT REPORT (continued)**

**Independence**

In conducting the audit, I have complied with the applicable independence requirements of the Australian professional ethical pronouncements.

**Audit Opinion**

In my opinion, the general purpose financial report of the Industrial Staff Union – PSA of NSW is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

SIGNED AT SYDNEY this 30th Day of January 2018



LOI KAH TSIA, B. Com., F.C.A.  
Chartered Accountant  
Registered Company Auditor  
Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
SYDNEY NSW 2000

**Industrial Staff Union, PSA of NSW**  
**ABN 65 903 110 044**

**AUDITOR'S STATEMENT**

- (a) In my opinion, the GPFR of the Industrial Staff Union – PSA of NSW is presented fairly in accordance with the Australian Accounting Standards;
- (b) In relation to recovery of wages activity and based on representations made to me by the Industrial Staff Union – PSA of NSW and the audit work undertaken for the year ended 30th June 2017, it appears that there were no recovery of wages activity for the year then ended;
- (c) That as part of the audit of the financial statements I have concluded that management's use of the going concern basis of accounting in the preparation of the reporting entity's financial statements is appropriate; and
- (d) Also declared that:
  - (i) I am an approved auditor registered as company auditor with ASIC. My auditor registration number is 3245;
  - (ii) I am a member of my firm L K Tsia Chartered Accountant;
  - (iii) I am a member of the Chartered Accountants Australia and New Zealand, FCA with the registration number 17835; and
  - (iv) I hold a current practising certificate issued to me by the Chartered Accountants Australia and New Zealand.

SIGNED AT SYDNEY this this 30th Day of January 2018



LOI KAH TSIA, B. Com., F.C.A.  
Chartered Accountant  
Registered Company Auditor  
Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
SYDNEY NSW 2000