



12 January 2017

Mr Gary Maas
Branch Secretary
National Union of Workers, Victorian Branch
833 Bourke Street
Docklands VIC 3008

By e-mail: nuwvic@nuw.org.au

Dear Mr Maas

**National Union of Workers, Victorian Branch
Financial Report for the year ended 30 June 2016 - FR2016/182**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the National Union of Workers, Victorian Branch. The financial report was lodged with the Fair Work Commission on 19 December 2016.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR YEAR ENDED 30TH JUNE 2016**

I, **Gary Maas** being the Secretary of the National Union of Workers – Victorian Branch certify:

- that the documents lodged herewith are copies of the full report for the National Union of Workers – Victorian Branch for the year ended 30th June 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 16th day of November 2016; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 14th day of December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Gary Maas

Title of prescribed designated officer:

Branch Secretary

Dated:

19.12.2016

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016**

Contents

Operating Report	2
Committee of Management Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to and Forming Part of the Financial Statements	12
Independent Audit Report	35

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Committee of Management presents its report on the operation of the Branch for the financial year ended 30 June 2016.

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

The principal activities of the Branch during the financial year ended 30 June 2016 were to improve the wages and working conditions of its members. This was undertaken through bargaining with employers, maintaining the content of modern awards and by appearing before industrial tribunals, principally the Fair Work Commission.

During the reporting period the Branch made submissions to a number of public enquiries and either launched or fostered campaigns around issues of importance to its members and working men and women generally.

Decisions of the Branch Committee of Management were implemented in furtherance of the above during the reporting period.

Operating Result

The operating result of the Branch for the year ended 30th June 2016 was a surplus of \$1,932,247 [2015: \$2,515,888]. No provision for tax was necessary as the Branch is considered exempt.

Significant changes in financial affairs

There was no significant change in the financial affairs of the Branch during the year.

Right of members to resign

All members have the right to resign from the Union in accordance with Rule 59 of the Union Rules (and Section 174 of the Act); namely, by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

Number of members

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 26,510.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Number of employees

The number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 43.65;

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

The names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held office were:

Name:	Position:	Period:
Julie Warren	Branch President	1/7/2015 to 30/6/2016
Gary Maas	Branch Secretary	1/7/2015 to 30/6/2016
Susie Allison	Assistant Branch Secretary	1/7/2015 to 30/6/2016
Brad Dobson	Vice President	1/7/2015 to 30/6/2016
Christopher Calvert	Organiser	1/7/2015 to 30/6/2016
Belinda Jacobi	Organiser	1/7/2015 to 30/6/2016
Heath Lamaro	Organiser	1/7/2015 to 30/6/2016
Mathew Toner	Organiser	1/7/2015 to 30/6/2016
Patrick Byrne	Committee Member	1/7/2015 to 30/6/2016
Craig Chapman	Committee Member	1/7/2015 to 30/6/2016
Les Claudius	Committee Member	1/7/2015 to 30/6/2016
Michael Veljanovski	Committee Member	1/7/2015 to 30/6/2016
Danial Wilson	Committee Member	1/7/2015 to 30/6/2016
Andreas Wittmann	Committee Member	1/7/2015 to 30/6/2016
Sharyn Cook	Committee Member	1/7/2015 to 30/6/2016
Donna Carkeek	Committee Member	1/7/2015 to 30/6/2016
Elizabeth McEwan	Committee Member	1/7/2015 to 30/6/2016
Sarah Rantall	Committee Member	1/7/2015 to 30/6/2016

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Remuneration and Disclosures

Under section 148A of the Act and Rule 14B of the Union's Rules, the two highest paid officers of the Victorian Branch and their remuneration for the reporting period were

Name of officer	Office	Total Remuneration
Gary Maas	Branch Secretary	\$ 191,490
Susie Allison	Assistant Branch Secretary	\$ 164,656

The above relevant remuneration for each of the above officers includes the following:

- annual leave and annual leave loading in accordance with Rule 68(d)
- long service leave in accordance with Rule 68(e)
- 12 rostered days off per calendar year (which do not accrue)
- a superannuation contribution is in accordance with Rule 69.

Additionally the above officers have an entitlement to paid parental leave and other leave that is regulated by the National Employment Standards.

Relevant non cash benefits provided to each paid officer during the reporting period were the provision of a maintained, registered and insured motor vehicle as well as salary continuance insurance.

The above officers, (along with non elected officers of the Union) are entitled to claim reimbursements associated with travel, meals and incidentals (both interstate and overseas) as well as attendance at conferences in accordance with the policy of the Union. As reimbursements these are not considered to be remuneration or non cash benefits.

The above officers are entitled to claim reimbursement of home telephony and internet access and to receive media and/or professional subscriptions in accordance with Union policy. These are not considered to be non cash benefits.

The following officers and employees are superannuation fund trustees or directors of a company that is a superannuation fund trustee. In each case the officer or employee was nominated for the position by the reporting unit.

Officer or Employee	Position	Trustee Company	Name of Fund	SGC Contribution
Gary Maas	Director	LUCRF Pty Ltd	LUCRF Super	\$5,019

A superannuation contribution of the amount specified by legislation of LUCRF director's fees is paid to the officers nominated superannuation fund. For the reporting period the contribution was as appears in the table above.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Remuneration and Disclosures (continued)

During the reporting period officers held directorships of the following boards and/or entities

Name	Board	Principal Activity	Reason
Gary Maas	Labour Union and Investment Property Services Pty Ltd	Real estate and property	Because they are an officer of the reporting unit
	Publicity Works (Industrial Printing And Publicity Pty Ltd)	Printing and Publicity	Because they are an officer of the reporting unit (non beneficial shareholder)
Belinda Jacobi	PrimeSafe Victoria	Regulatory management of meat and meat products	Because they are an officer of the reporting unit

Subject to the following comment, none of the above officers received any remuneration associated with their membership or directorship of any board of which they are a member (as defined by Rule 14B)

It is the policy of PrimeSafe Victoria that it will not pay directors fees to sponsoring organisations. As such Ms. Jacobi received fees for the reporting period equal to \$5,795. Consistent with a decision of the Branch Committee of Management on 12 August 2015 these fees were reimbursed as and when paid by Ms. Jacobi to the Branch.

A superannuation contribution of the amount specified by legislation of PrimeSafe Victoria director's fees is paid to the officers nominated superannuation fund. For the reporting period the contribution was \$1,011.

No other disclosures as required under Rule 14B were made by officers for the reporting period.

No officer received any remuneration from a related third party of the Union in connection with the performance of their duties. Rule 68(c) prohibits officers undertaking external or secondary employment without the permission of the Branch Committee of Management. No such permissions were sought during the reporting period.

The Union maintains a register of interests of all officers and observes procedures for dealing with conflicts of interests. There were no conflicts recorded or noted during the reporting period.

The salary, classification and staff and pay scale of all appointed officers and staff of the Union is as determined from time to time by Union's National Council in accordance with the Rules.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Remuneration and Disclosures (continued)

All officers in accordance with Rule 14D are required to undertake training approved by the General Manager of the Fair Work Commission by 29 December 2013 or within six months of assuming office. All officers have complied with this Rule. A register of participation in approved training is maintained by the Union.

Costs associated with the delivery of the training and attendance is met by the Union.

Members wishing to obtain additional information or detail on any of these matters may do so by contacting the Union on 1300 275 689 or by email – info@nuw.org.au

A copy of the Union's rules along with additional material relevant to governance is available for download on the website – nuw.www.org.au/publicnotices

Signature of designated officer:



Name and title of designated officer:

Mark Gary Maas - Branch Secretary

Dated:

16.11.2016

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On the 16th November 2016 the Committee of Management of the National Union of Workers – Victorian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30th June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF 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 General Manager duly made under section 272 of the RO Act, it has been provided to the member or General Manager; 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: Mark Gary Maas - Branch Secretary

Dated: 16.11.2016

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue			
Membership subscriptions		11,609,879	11,244,450
Interest		208,149	284,165
Donations received		-	320
Profit on disposal of assets		-	-
Other revenue	3	1,536,212	2,119,184
Total revenue		13,354,240	13,648,119
Expenses			
Employee expenses	4	5,628,100	5,815,031
Sustentation fees	4	2,201,690	2,133,250
Affiliation fees	4	225,175	226,991
Administration expenses	4	969,313	882,483
Donations paid	4	39,283	30,880
Depreciation	4	282,820	316,122
Legal costs	4	58,442	27,865
Audit fees	4	21,300	21,000
Motor vehicle expenses		268,526	235,016
Delegates expenses		99,248	128,566
Occupancy expenses		741,070	712,568
Communication expenses		43,681	76,834
Officials expenses		89,025	111,739
Training & staff education expenses		90,234	114,791
Impairment losses		658,949	268,922
Losses on disposal of assets		5,137	30,173
Total expenses		11,421,993	11,132,231
Profit (loss) for the year		1,932,247	2,515,888
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		1,932,247	2,515,888

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,314,630	5,673,922
Trade and other receivables	6	1,068,751	792,669
Financial assets	7	4,252,448	4,140,427
Other current assets	8	85,581	76,153
Total current assets		10,721,410	10,683,171
Non-Current Assets			
Trade and other receivables	6	360,233	360,233
Plant and equipment	9	1,294,634	1,457,351
Investments in associates	10	6,969,873	6,953,020
Other investments	11	13,361,048	11,508,641
Total non-current assets		21,985,788	20,279,245
Total assets		32,707,198	30,962,416
LIABILITIES			
Current Liabilities			
Trade and other payables	12	691,708	714,265
Provisions	13	1,732,678	1,897,586
Total current liabilities		2,424,386	2,611,851
Total liabilities		2,424,386	2,611,851
Net assets		30,282,812	28,350,565
EQUITY			
Accumulated Funds		30,282,812	28,350,565
Total equity		30,282,812	28,350,565

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2014	25,834,677	25,834,677
Profit for the year	2,515,888	2,515,888
Balance as at 30 June 2015	<u>28,350,565</u>	<u>28,350,565</u>
Balance as at 1 July 2015	28,350,565	28,350,565
Profit for the year	1,932,247	1,932,247
Balance as at 30 June 2016	<u>30,282,812</u>	<u>30,282,812</u>

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	15B	377,503	378,338
Receipts from members		11,588,209	11,226,735
Interest		203,399	332,225
Other		1,086,913	1,113,391
Cash used			
Payments to Employees & Suppliers		(8,384,930)	(7,779,232)
Payment to other reporting units	15B	(2,666,784)	(2,866,442)
Net cash from (used by) operating activities	15A	2,204,310	2,405,015
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		30,000	252,022
Proceeds from investments		-	794,135
Cash used			
Purchase of plant and equipment		(155,240)	(998,069)
Purchase of term deposits, shares & units		(2,438,362)	(1,492,071)
Net cash from (used by) investing activities		(2,563,602)	(1,443,983)
FINANCING ACTIVITIES			
Cash received			
Repayment of Loans		-	-
Cash used			
Repayment of borrowings		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(359,292)	961,032
Cash & cash equivalents at the beginning of the reporting period		5,673,922	4,712,890
Cash & cash equivalents at the end of the reporting period		5,314,630	5,673,922

The accompanying notes form part of the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Summary of significant accounting policies

1a 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 National Union of Workers – Victorian Branch is a not-for-profit entity.

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

1b Comparative amounts

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

1c Significant accounting judgements and estimates

The preparation of financial statements requires the Branch to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1d 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

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on National Union of Workers – Victorian Branch.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1e Investment in associates

An associate is an entity over which the National Union of Workers – Victorian Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Union's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates is increased or decreased to recognise the Union's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Union.

1f Revenue

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

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

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

Donation income is recognised when it is received.

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

Investment revenue is recognised in the period in which it is earned.

All revenue is stated net of the amount of goods and services tax (GST).

1g Gains

Sale of assets

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

1h Sustentation fees and levies

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1i Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and rostered days off when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability including related on costs.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

1j Leases

Lease payments for operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged as expenses in the period in which they are incurred.

1k Cash and cash equivalents

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

1l 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.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1m Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the Union that are traded in an active market are classified as available-for-sale and are stated at fair value.

Dividends from available-for-sale equity instruments are recognised in profit or loss when received.

Loans and receivables

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included as current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1m Financial assets

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1n Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

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.

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.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1o Plant and equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation.

Depreciation

The depreciable amount of plant and equipment is depreciated on either a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor Vehicles	18.75% - 25%
Office Furniture and Equipment	7.5% - 66.67%
Fixtures and Fittings	2.50%-50%

All minor purchases of assets are considered by the Committee as having a useful life relative only to the period of purchase and as such are written off during that period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the statement of comprehensive income.

1p 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 where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables, in the statement of financial position are shown inclusive of GST.

2. Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of National Union of Workers – Victorian Branch.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2016	2015
	\$	\$
3. Other Revenue		
Directors Fees Received	13,795	8,000
Share of net gain from associates accounted for using the equity method	16,853	511,575
Dividends & Distributions Received	1,387,120	1,493,679
Sundry Income	118,444	105,930
Capitation Fees	-	-
Levies	-	-
Grants	-	-
Financial support from another reporting unit	-	-
	1,536,212	2,119,184
4. Expenses		
	2016	2015
	\$	\$
Employee expenses		
Holders of office:		
Wages and salaries	1,018,246	989,124
Superannuation	182,913	185,190
Leave and other entitlements	56,387	(249,261)
Separation and redundancies	-	-
Other employee expenses	104,393	106,031
Subtotal employee expenses holders of office	1,361,939	1,031,084
Employees other than office holders:		
Wages and salaries	3,334,234	3,203,655
Superannuation	603,933	539,668
Leave and other entitlements	(221,294)	523,798
Separation and redundancies	218,841	73,964
Other employee expenses	330,447	442,862
Subtotal employee expenses employees other than office holders	4,266,161	4,783,947
Total employee expenses	5,628,100	5,815,031
Sustentation fees		
NUW National Office	2,201,690	2,133,250
Total sustentation fees	2,201,690	2,133,250

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

4. Expenses (continued)

	2016	2015
	\$	\$
Affiliation fees		
Australian Labor Party	139,593	143,414
Victorian Trades Hall Council	59,082	57,855
Ballarat Trades & Labour Council	660	450
Bendigo Trades & Labour Council	2,075	2,074
Geelong Trades & Labour Council	2,916	2,852
Gippsland Trades & Labour Council	1,455	1,364
Goulburn Valley Trades & Labour Council	2,877	2,465
North East Border Trades & Labour Council	12,454	12,454
South West Trades & Labour Council	900	900
Community Radio Federation Ltd	3,163	3,163
Total affiliation fees	225,175	226,991
Administration expenses		
Consideration to employers for payroll deductions	46,021	54,153
Campaign Levy – ACTU	47,750	95,500
Fees/allowances - meeting and conferences	44,226	51,695
Conference and meeting expenses	46,404	60,645
Other	784,912	620,490
Penalties - via RO Act or RO Regulations	-	-
Total administration expenses	969,313	882,483
Donations		
Total paid that were \$1,000 or less	4,283	9,680
Total paid that exceeded \$1,000	35,000	21,200
Total donations	39,283	30,880
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants	-	-

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

4. Expenses (continued)

	2016	2015
	\$	\$
Depreciation		
Depreciation		
Office Furniture and Equipment	54,739	35,253
Motor Vehicles	188,787	234,875
Fixtures and Fittings	39,294	45,994
Total depreciation	<u>282,820</u>	<u>316,122</u>
Legal costs		
Litigation	34,205	-
Other legal matters	24,237	27,865
Total legal costs	<u>58,442</u>	<u>27,865</u>
Remuneration of auditors		
Financial statement audit services	20,800	20,500
Other services	19,500	18,250
Total remuneration of auditors	<u>40,300</u>	<u>38,750</u>

Other services include the audit of the political membership return, assistance in the preparation of the general purpose financial report, completion of fringe benefits tax return and completion of quarterly business activity statements.

5. Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	2,216	1,301
Cash at bank	5,312,414	5,672,621
Total cash and cash equivalents	<u>5,314,630</u>	<u>5,673,922</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
6. Trade and other receivables		
<u>Current</u>		
Receivables from other reporting units		
NUW National Office	19,511	13,280
NUW NSW Branch	16,736	-
NUW General Branch	4,064	16,749
Total receivables from other reporting units	40,311	30,029
Other receivables:		
Other trade receivables	1,028,440	762,640
Total other receivables	1,028,440	762,640
Total trade and other receivables	1,068,751	792,669

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables (less than 30 days) and non-interest bearing.

Non-Current

Other receivables:		
IPP Property Trust – Distribution receivable	360,233	360,233
Total other receivables	360,233	360,233
Total trade and other receivables	360,233	360,233

Based on the underlying net assets of these entities, no impairment losses have been recognised as it is expected that these amounts will be recovered in full.

7. Financial assets

Held to Maturity investments		
- Term Deposits	4,252,448	4,140,427
Total current financial assets	4,252,448	4,140,427

Term Deposits are held with Members Equity Bank with an interest rate of between 3.00% and 3.15% (2015: 3.10%)

8. Other current assets

Movie tickets on hand	-	1,043
Prepayments	53,786	48,065
Interest receivable	31,795	27,045
Total other current assets	85,581	76,153

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

9. Plant and Equipment

	2016	2015
	\$	\$
Office Furniture & Equipment		
At Cost	480,072	423,375
Less Accumulated Depreciation	(344,089)	(326,626)
Net Office Furniture & Equipment	135,983	96,749
Motor Vehicles		
At Cost	998,819	993,972
Less Accumulated Depreciation	(442,851)	(275,347)
Net Motor Vehicles	555,968	718,625
Fixtures & Fittings		
At Cost	1,308,200	1,308,200
Less Accumulated Depreciation	(705,517)	(666,223)
Net Fixtures & Fittings	602,683	641,977
Total plant and equipment	1,294,634	1,457,351

Movements in Carrying Amounts

2016	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	718,625	96,749	641,977	1,457,351
Additions	61,222	94,018	-	155,240
Depreciation expense	(188,787)	(54,739)	(39,294)	(282,820)
Disposals	(35,092)	(45)	-	(35,137)
Carrying amount at end of year	555,968	135,983	602,683	1,294,634

2015	Motor Vehicles	Office F&E	Fixtures & Fittings	Total
	\$	\$	\$	\$
Balance at beginning of year	948,980	106,952	687,971	1,743,903
Additions	43,091	26,530	-	69,621
Depreciation expense	(234,875)	(35,253)	(45,994)	(316,122)
Disposals	(38,571)	(1,480)	-	(40,051)
Carrying amount at end of year	718,625	96,749	641,977	1,457,351

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. Investments in Associates

	2016	2015
	\$	\$
(A) <u>833 Bourke Street Company and Trust</u>		
<u>Ordinary Shares in 833 Bourke Street Pty Limited</u>		
Opening Balance	34	34
Share of net gain in value of investment	-	-
Closing Balance	<u>34</u>	<u>34</u>
<u>Units in 833 Bourke Street Unit Trust</u>		
Opening Balance	6,664,821	6,153,246
Share of net gain in value of investment	68,210	511,575
Closing Balance	<u>6,733,031</u>	<u>6,664,821</u>
Total investment	<u>6,733,065</u>	<u>6,664,855</u>

The National Office of the National Union of Workers holds shares in 833 Bourke Street Pty Limited and units in 833 Bourke Street Unit Trust on behalf of the National Union of Workers – Victorian Branch. The above represents the National Union of Workers – Victorian Branch's share of the total investment.

(B) Industrial Printing & Publishing Company & Trust

<u>Ordinary Shares in Industrial Printing & Publishing Pty Ltd</u>		
Opening Balance	175,870	244,125
Provision for impairment	(31,343)	(68,255)
Closing Balance	<u>144,527</u>	<u>175,870</u>
<u>Units in IPP Property Trust</u>		
Opening Balance	112,295	155,875
Provision for impairment	(20,014)	(43,580)
Closing Balance	<u>92,281</u>	<u>112,295</u>
Total investment	<u>236,808</u>	<u>288,165</u>

The National Office of the National Union of Workers holds shares in trust in Industrial Printing and Publishing Pty Ltd and units in IPP Property Trust on behalf of the National Union of Workers – Victorian Branch. The above represents the National Union of Workers – Victorian Branch's share of the total investment.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Other Investments

	2016	2015
	\$	\$
Bell Potter Investment Portfolio – At Fair Value	13,361,048	11,508,641
Total investment	13,361,048	11,508,641
<u>Movement in Fair Value</u>		
Opening Balance	11,508,641	9,950,513
Net (Disposals)/Additions	2,511,356	1,715,215
Fair value adjustment	(658,949)	(157,087)
Closing Balance	13,361,048	11,508,641

The portfolio includes investments in equities, fixed interest securities, managed funds and exchange traded funds. The investments are managed on behalf of the National Union of Workers – Victorian Branch by Bell Potter Securities Limited.

12. Trade and other payables

	2016	2015
	\$	\$
Trade creditors and accruals	197,859	239,101
GST Payable	234,800	230,955
Consideration to employers for payroll deductions	-	-
Legal Fees Payable – Litigation	4,331	-
Legal Fees Payable – Other Legal Matters	2,782	-
Subtotal trade and other payables	439,772	470,056
Payables to other reporting units		
NUW General Branch	-	5,948
NUW National Office	251,936	238,261
Subtotal payables to other reporting unit[s]	251,936	244,209
Total trade and other payables	691,708	714,265

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Provisions

	2016	2015
	\$	\$
Employee provisions - Current		
Office Holders:		
Annual leave	190,158	178,604
Long service leave	363,841	322,042
Separations and redundancies	-	-
Other	13,129	10,095
	<u>567,128</u>	<u>510,741</u>
Employees other than office holders:		
Annual leave	461,010	596,580
Long service leave	680,075	767,803
Separations and redundancies	-	-
Other	24,465	22,462
	<u>1,165,550</u>	<u>1,386,845</u>
Total employee provisions - current	<u>1,732,678</u>	<u>1,897,586</u>

14. Contingent liabilities

The members of the Committee of Management are unaware of any contingent liability, the effect of which may be material in relation to the financial statements.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Cash flow information

15A: Cash flow reconciliation

	2016	2015
	\$	\$
Reconciliation of surplus(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	1,932,247	2,515,888
Adjustments for non-cash items		
Depreciation	282,820	316,122
Loss on disposal of assets	5,137	30,173
Profit on disposal of assets	-	-
Unrealised gain in value of investments	(16,853)	(511,575)
Unrealised loss in value of investments	658,949	268,922
Non-cash distribution	-	(360,233)
Distributions reinvested	(180,631)	(218,916)
Management fees rebated & reinvested	(4,384)	(4,228)
Changes in assets/liabilities		
(Increase)/decrease in trade and receivables	(276,082)	40,739
(Increase)/decrease in other assets	(9,428)	55,084
Increase/(decrease) in trade and other payables	(22,557)	(1,498)
Increase/(decrease) in employee provisions	(164,908)	274,537
Net cash from (used by) operating activities	2,204,310	2,405,015

15B: Cash flow information

Cash inflows		
NUW – National Office	197,281	214,336
NUW – NSW Branch	1,451	-
NUW – General Branch	178,771	164,002
Total cash inflows	377,503	378,338
Cash outflows		
NUW – National Office	2,658,750	2,856,924
NUW – General Branch	8,034	9,518
Total cash outflows	2,666,784	2,866,442

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. Related party disclosures

16A: 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
	\$	\$
<u>Revenue received includes the following:</u>		
NUW National Office		
Sundry income received	-	909
Administration expenses recovered	194,595	160,278
Transfer of employee leave entitlements	-	9,331
	<u>170,508</u>	<u>170,508</u>
NUW General Branch		
Transfer of employee leave entitlements	-	30,032
Administration expenses recovered	167,132	133,802
Sundry income received	-	182
Seconded staff expenses recovered	-	14,805
	<u>167,132</u>	<u>178,821</u>
NUW NSW Branch		
Administration expenses recovered	1,451	-
Seconded staff expenses recovered	15,215	-
	<u>16,666</u>	<u>-</u>
833 Bourke Street Unit Trust		
Distributions received	578,083	562,264
Publicity Works Pty Ltd		
Directors Fees received	8,000	8,000
<u>Expenses paid includes the following:</u>		
NUW National Office		
ACTU campaign levy	47,750	95,500
Payroll tax	265,522	249,695
Sustentation fees	2,201,690	2,133,250
Transfer of employee leave entitlements	-	176,076
Seconded staff expenses	72,353	66,081
Administration Expenses	83,022	128,691
	<u>2,670,337</u>	<u>2,849,293</u>
NUW General Branch		
Administration expenses	2,627	14,925
833 Bourke Street Unit Trust		
Rent & Outgoings	741,070	712,568
Publicity Works Pty Ltd		
Printing expenses	7,432	41,924

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. Related party disclosures (continued)

16A: Related party transactions for the reporting period

	2016	2015
	\$	\$
<u>Amounts owed by -</u>		
NUW National Office	19,511	13,280
NUW General Branch	4,064	16,749
NUW NSW Branch	16,736	-
833 Bourke Street Unit Trust	49,214	47,498
	<u>89,525</u>	<u>77,527</u>
<u>Amounts owed to -</u>		
NUW National Office	251,936	238,261
NUW General Branch	-	5,948
833 Bourke Street Unit Trust	62,685	66,937
	<u>314,621</u>	<u>311,146</u>

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the National Union of Workers – Victorian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

16B: Key management personnel remuneration for the reporting period

	2016	2015
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	1,018,246	989,124
Annual leave & RDO accrued	14,588	(133,325)
Total short-term employee benefits	<u>1,032,834</u>	<u>855,799</u>
Post-employment benefits:		
Superannuation	182,913	185,190
Total post-employment benefits	<u>182,913</u>	<u>185,190</u>
Other long-term benefits:		
Long-service leave	41,799	(115,936)
Total other long-term benefits	<u>41,799</u>	<u>(115,936)</u>
Termination benefits	-	-
Total	<u>1,257,546</u>	<u>925,053</u>

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. Financial instruments

The Union's activities expose it to the primary financial risks of market, liquidity, credit and interest rate risk. The Union's overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the Union.

Market Risk

The Union is exposed to equity securities price risk and managed funds price risk. This arises from investments held by the Union and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

The Union's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increases/(decreases) of the indexes on the Union's equity and managed funds. The analysis is based on the assumption that the equity and managed fund indexes had increased/(decreased) by 10% (2015 – 10%) with all other variables held constant and all the Union's equity and managed funds instruments moved according to the historical correlation with the index.

	2016	2015
	\$	\$
Effect on equity:		
Increase of equity index by 10%	1,336,105	1,150,864
Decrease of equity index by 10%	(1,336,105)	(1,150,864)

Liquidity Risk

Liquidity risk is the risk that the Union may not be able to meet its financial obligations as they fall due. The Union has both short term and long term investments which enable sufficient cash to be available to settle obligations as they fall due.

Credit Risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, receivables, deposits with banks and financial institutions and loans to branches.

There is no concentration of credit risk with respect to current receivables. The maximum exposure to credit risk for receivables at the reporting date is the carrying amount in the statement of financial position.

Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Union has no significant concentrations of credit risk.

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. Financial instruments

Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows :

	2016	2015
	\$	\$
Cash at bank		
AA- Rating	-	1,809,489
A1+ Rating	3,051,918	-
A2 Rating	2,260,496	3,863,132
	5,312,414	5,672,621
Term Deposits		
A2 Rating	4,252,448	4,140,427

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value and future cash flows will fluctuate as a result of changes in market interest rates. The Union's exposure to interest rate risk arises from cash at bank and term deposits.

Sensitivity analysis

As at 30 June the effect on the surplus/(deficit) as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	2016	2015
	\$	\$
Effect on results:		
Increase of interest rates by 1%	65,129	80,036
Decrease of interest rates by 1%	(65,129)	(80,036)

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

2016	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	2,216	2,216
Cash at bank	2.25	5,312,414	-	-	-	5,312,414
Term Deposits	3.00	-	4,252,448	-	-	4,252,448
Other Receivables		-	-	-	1,428,984	1,428,984
Investments		20,330,921	-	-	-	20,330,921
		25,643,335	4,252,448	-	1,431,200	31,326,983
Financial Liabilities						
Trade & other payables		-	-	-	691,708	691,708
Net Financial Assets		25,643,335	4,252,448	-	739,492	30,635,275

2015	Weighted Average Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash on hand		-	-	-	1,301	1,301
Cash at bank	2.50	5,672,621	-	-	-	5,672,621
Term Deposits	3.10	-	4,140,427	-	-	4,140,427
Other Receivables		-	-	-	1,152,902	1,152,902
Investments		18,461,661	-	-	-	18,461,661
		24,134,282	4,140,427	-	1,154,203	29,428,912
Financial Liabilities						
Trade & other payables		-	-	-	714,265	714,265
Net Financial Assets		24,134,282	4,140,427	-	439,938	28,714,647

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

18. Fair value measurement

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets available-for-sale is based on quoted market prices at the end of the reporting period.

The table below shows the assigned level for each asset and liability held at fair value –

30th June 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available-for-sale financial assets	13,361,048	-	6,969,873	20,330,921
30th June 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Available-for-sale financial assets	11,508,641	-	6,953,020	18,461,661

19. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**NATIONAL UNION OF WORKERS
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

20. Other Information

(i) Going Concern

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

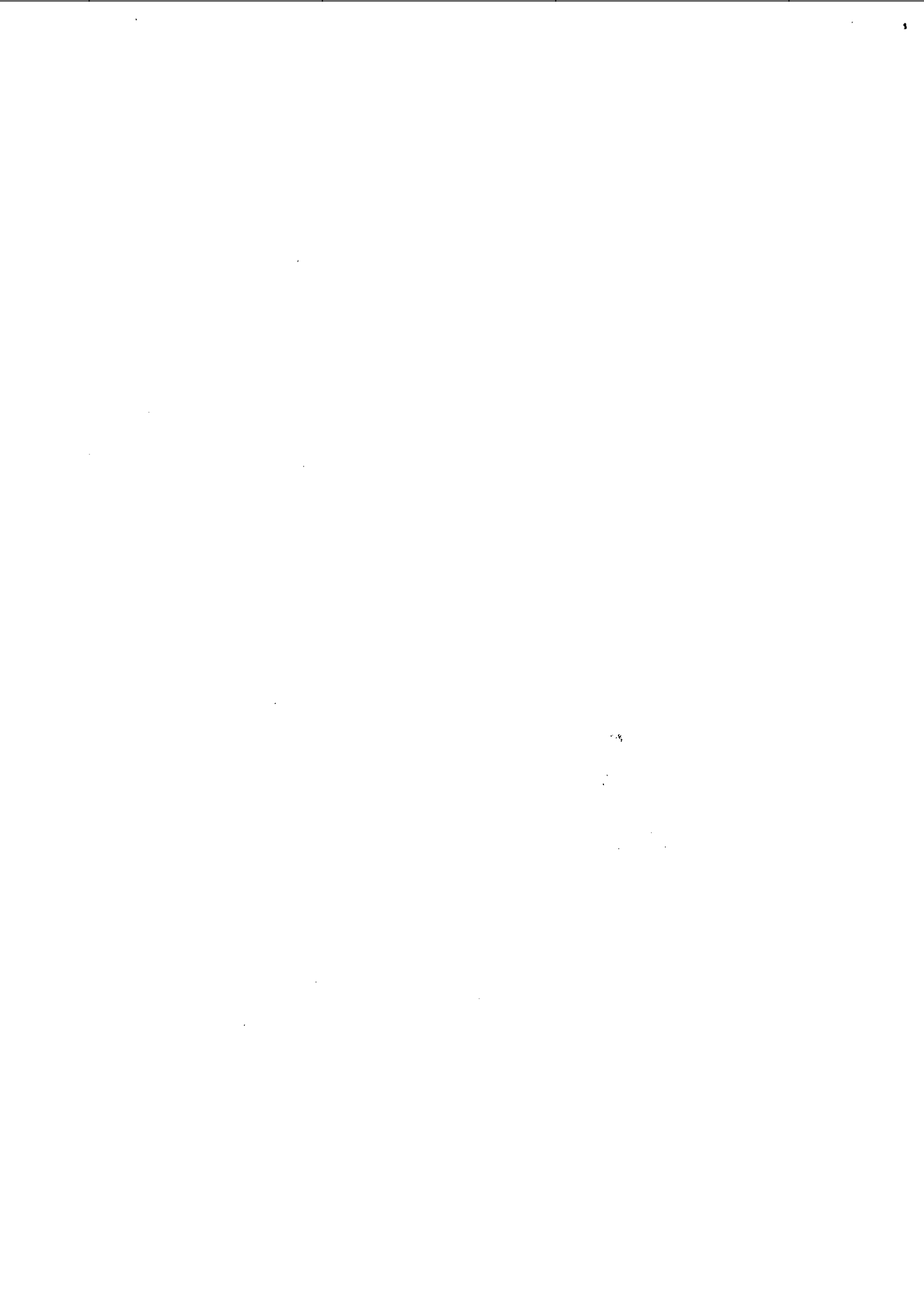
(iii) Acquisition of assets and liability under specific sections:

The branch did not acquire any asset or a liability during the financial year as a result of:

- An amalgamation under part 2 of Chapter 3, of the RO Act;
- A restructure of the Branches of the organization;
- A determination by the General Manager under s245(1) of the RO Act;
- A revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.





Eddy Partners Accountants

Eddy Partners
Accountants and Auditors
ABN 87 382 183 920

Level 8,
501 LaTrobe Street,
Melbourne, Victoria 3000.

PO Box 13105,
Law Courts,
Melbourne, Victoria 8010.

Telephone: (03) 9602 5177

Facsimile: (03) 9602 5766

e-mail: info@eddypartners.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL UNION OF WORKERS VICTORIAN BRANCH

We have audited the accompanying general purpose financial report of the National Union of Workers – Victorian Branch for the year ended 30th June 2016 comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, Notes to and Forming Part of the Financial Statements and Committee of Management Statement.

Committee of Management’s Responsibility for the Financial Report

The Union’s Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 from material misstatement.

Partners:

David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA



Liability limited by a scheme approved
under Professional Standards Legislation.



EddyPartners
Accountants

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 Committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion we have concluded that management's use of the going concern basis of accounting in the preparation of the Union's financial report is appropriate.

In our opinion the financial report presents fairly, in all material respects, the financial position as at 30 June 2016 and of its financial performance and cash flows for the year then ended and is in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Signed at Melbourne, this 16th day of November 2016.

Eddy Partners
8th Floor,
501 Latrobe Street
MELBOURNE, VIC, . 3000
Tel: (03) 9602 5177
Fax: (03) 9602 5766

EDDY PARTNERS,
Certified Practising Accountants.

David James Eddy, CPA
Registered Company Auditor.
Holder of a Current Public Practice Certificate



8 December 2016

Mr Gary Maas
Victorian Branch Secretary
National Union of Workers-Victorian Branch

Sent via email: gmaas@nuw.org.au

Dear Mr Maas,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the National Union of Workers-Victorian Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Gary Maas
Victorian Branch Secretary
National Union of Workers-Victorian Branch
By email: gmaas@nuw.org.au

Dear Mr Maas,

**Re: Lodgement of Financial Report - [FR2016/182]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the National Union of Workers-Victorian Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

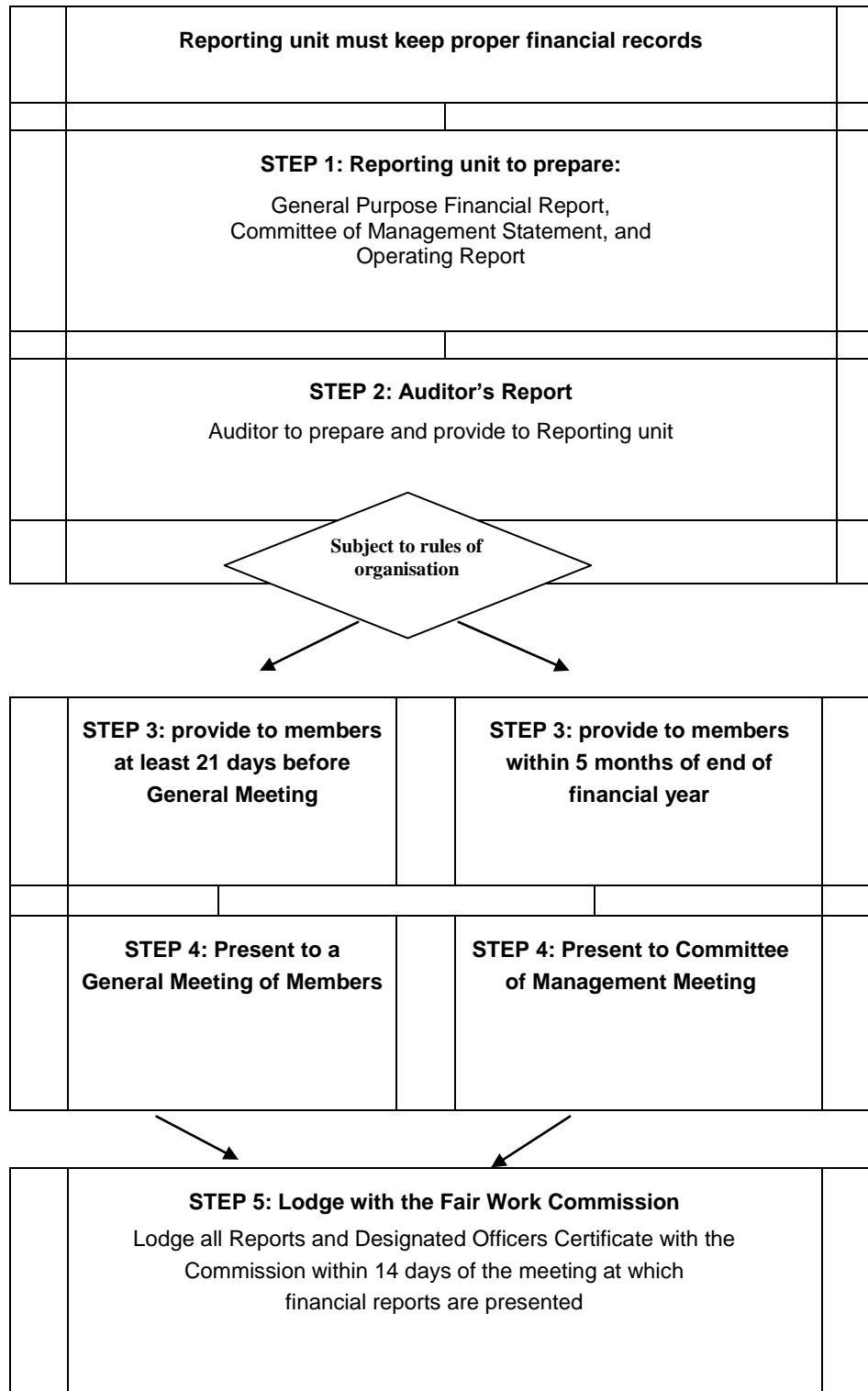


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

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

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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