



25 February 2020

Paul Richardson  
Director - Finance, Governance and Administration  
United Workers' Union

Sent via email: [paul.richardson@unitedworkers.org.au](mailto:paul.richardson@unitedworkers.org.au)  
CC: [gkent@mgisq.com.au](mailto:gkent@mgisq.com.au)

Dear Paul Richardson,

**United Voice  
Financial Report for the year ended 30 June 2019 – (FR2019/217)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the United Voice. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 December 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**General purpose financial report**

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agree to receive financial support from another reporting unit to continue as a going concern" and "agree to provide financial support to another reporting unit to ensure they continue as a going concern" are disclosed in both Note 1.19 and the officer's declaration statement;

- "Receive revenue via compulsory levies" is disclosed in both the statement of comprehensive income and Note 5G; and
- "Pay a grant that was \$1,000 or less" and "pay a grant that exceeded \$1,000" are disclosed in both Note 6F and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

I also note that the notes and officer's declaration statement contained nil activity information for all prescribed RG categories except the following:

- Make a payment to a former related party of the reporting unit (RG20)

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

## **Operating report**

### Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name of Sheila Hunter appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Sheila Hunter had resigned during, or at the end of, the previous year, and without any such indication the question arises whether Sheila Hunter's name has been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

## **Reporting Requirements**

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

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

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

Yours sincerely,



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

19D-037\_UWU

17 December 2019

Mr M. Bielecki  
Registered Organisations Commissioner  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

By email: **regorgs@roc.gov.au**

Dear Commissioner

**Re: Annual Financial Reports – United Voice – National Council and Former Reporting Units**

As the Commission is aware the National Union of Workers (**NUW**) and United Voice amalgamated on 11 November 2019 and are now known as the United Workers' Union (**UWU**).

Please find attached the annual financial reports for United Voice – National Council and the former reporting units as follows:

- New South Wales branch;
- Queensland branch;
- South Australian branch;
- Victorian branch; and
- Western Australia branch.

The approval of both reports was conducted by the relevant committees of management in the manner agreed and as applicable arising from our consultative meeting held on 16 August. In particular, the reports of the former reporting units were prepared and received at first instance by the applicable reporting unit and provided to respective members and then presented at a second meeting to the National Executive of the UWU for approval.

The report for United Voice – National Council was received on both occasions by the National Executive of the UWU.

Should the Commission require any additional information please do not hesitate to contact me.

Yours sincerely,



**PAUL RICHARDSON**  
**DIRECTOR – FINANCE, GOVERNANCE AND ADMINISTRATION**

**REGISTERED ORGANISATIONS COMMISSION**

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

**United Voice – National Council**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

I, Timothy John Kennedy being the Director – National Secretary of the United Workers' Union (**the Union**) certify:

1. That the document lodged with the Registered Organisations Commission on 19 December 2019 is the full report of the former **United Voice – National Council (the Union)** referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*.
2. That the full report was provided to members of the Union on 22 November 2019.
3. That the full report was presented to the National Executive of the Union on 17 December 2019 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, appearing to read 'T-J K', is written over a horizontal line.

**TIMOTHY JOHN KENNEDY**  
**UNITED WORKERS' UNION**

**Dated this 19th day of December 2019**

**UNITED VOICE NATIONAL COUNCIL**

**Financial Report for 2018-19**

## UNITED VOICE NATIONAL COUNCIL

### OPERATING REPORT

*United Voice is a union of workers organising to win better jobs, stronger communities, a fairer society and a sustainable future.*

This Operating Report covers the activities of United Voice National Council for the financial year ended 30 June 2019.

#### 1. Principal Activities of the National Council

The principal activities of the National Council of the Union, as conducted through the National Office, during the past year fell into the following categories:

- Implementation of the decisions of the National Executive and National Council.
- Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to branches on planning and resourcing campaigns.
- Coordination of campaigns undertaken by the union. This particularly focussed on the save our weekend campaign and the child care industry.
- Innovation across the National Union with the development of HospoVoice and Workit.
- The administration of federal awards and initiating and responding to variations to federal awards.
- Participation in campaigns and other work conducted by the ACTU and on the ACTU Executive.
- Management of information technology, the membership database and strategic systems designed to support organising.
- National media and communications to members and to the broader community via media and public comment, video and film development, websites and social media and targeted publications, including the national magazine.
- National bargaining in key industries and assistance to branches on bargaining by request.
- Assisting branches in their implementation of the union's policies and the priorities established by the National Council and National Executive.
- Lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to United Voice members e.g. the funding of aged care and the government tendering process for cleaners.
- Advocacy to bodies set up by government to enquire into policy areas affecting United Voice members including enquiries by the Productivity Commission.
- Research and campaigning on social justice issues that affect United Voice members including penalty rates, secure jobs and diversity.

There have been no significant changes in the work of the National Council in 2018-19.

## **UNITED VOICE NATIONAL COUNCIL**

### **OPERATING REPORT (CONT'D)**

#### **2. The National Council's Financial Affairs**

United Voice ended the 2018-19 year with an operating deficit of \$5,540,731.

The income of the National Council in 2018-19 was \$12.8m. 48% of this income was received as sustenance payments from our Branches and 27% as income received directly from our members in ACT, NT and Tasmania. A further 10% comes from income from property holdings with the balance largely from interest on investments. Income has remained stable between 2017-18 and 2018-19.

Expenses increased in 2018-19 by \$3.2m mainly due to an increase in campaign support and media costs.

This resulted in an operating deficit on the profit and loss. This deficit was partly offset by the revaluation of the Cleveland Street property. The accumulated funds of the National Council fell by \$2.4m to \$85m. Most of these assets are currently held as cash following the settlement of the investment property.

#### **3. Significant Changes after Report Date**

United Voice amalgamated with the National Union of Workers (NUW) on the 11 November, 2019. At this time the assets and liabilities of the NUW and all the Branches of United Voice were transferred into the accounts of the newly named United Workers Union.

United Voice National Council was deemed to be the "Host Union" and has subsequently changed its name.

#### **3. Right of Members to Resign**

All Members of the Union have the right to resign from the Union in accordance with Rule 10 of the Union Rules, and Section 174 of the Fair Work (Registered Organisations) Act 2009

In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a Branch of the organisation.

#### **4. Superannuation Trustees**

Bev Myers is an officer of the National Office and is a Trustee and Member of the Board of Directors of the HOSTPLUS Superannuation Fund.

Helen Gibbons is an elected official of the National Office and is a member of the Board of Directors of HESTA.

Tim Lyons and Judith Hill have been contracted to fill positions as Trustee on the Board of Host Plus.

All fees (including superannuation) paid for these positions were paid to the Union apart from HESTA who pay the superannuation of the Director's Fee directly to the official. United Voice has sought a ruling from the ATO on this matter. In 2018-19 \$5,098 was paid directly to a superannuation account in



## UNITED VOICE NATIONAL COUNCIL

### OPERATING REPORT (CONT'D)

the name of Helen Gibbons. These funds will not be accessed by Helen.

Total Income earned in 2018-19 as payment for Directors was:

Host Plus	\$134,579
Hesta	\$ 42,482

Except for the above, the Committee are not aware of any elected official of the National Council who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a Union that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

### 5. Membership of the Union

There were 98,716 members of the union as at 30 June 2019.

### 6. Employees of the National Council

As at 30 June 2019 the National Council employed 39 full time employees and 7 part time employees with a total number of 43.75 employees on a fulltime equivalent basis working in National Office.

The ACT Branch employees were also employed by the National Office as at 30 June 2019. The ACT Branch has 9 full time employees.

The Tasmanian Branch employees were also employed by the National Office as at 30 June 2019. The Tasmanian Branch has 7 full time employees and 7 part time employees with a total number of 10.85 employees on a fulltime equivalent basis.

The NT Branch employees were also employed by the National Office as at 30 June 2019. The NT Branch has 7 full time employees and 2 part time employee with a total number of 8.65 employees on a fulltime equivalent basis.

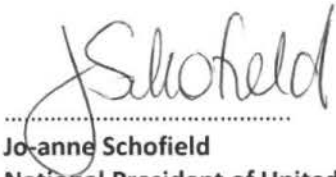
### 8. National Executive

The following persons were members of the National Executive, during the year ending 30 June 2019:

<i>Name</i>	<i>Period of appointment</i>
Jo-anne Schofield	1.7.18 to 30.6.19
Helen Gibbons	1.7.18 to 30.6.19
Mel Gatfield	1.7.18 to 30.6.19
Julie Korleveska	1.7.18 to 30.6.19
Carolyn Smith	1.7.18 to 30.6.19
Karma Lord	1.7.18 to 30.6.19
Jess Walsh	1.7.18 to 30.6.19
Ben Redford	1.7.18 to 30.6.19
Jannette Armstrong	1.7.18 to 30.6.19
Lyndal Ryan	1.7.18 to 30.6.19
Erina Early	1.7.18 to 30.6.19
David Di Troia	1.7.18 to 30.6.19

Donna Duke	1.7.18 to 30.6.19
Gary Bullock	1.7.18 to 30.6.19
Sharron Caddie	1.7.18 to 30.6.19

Signed for the National Executive

A handwritten signature in black ink, reading "Jo-anne Schofield". The signature is written in a cursive style with a large, stylized "J" and "S". Below the signature is a horizontal dotted line.

**Jo-anne Schofield**  
**National President of United Workers Union**  
**Former National Secretary of United Voice**  
19 November, 2019

**UNITED VOICE**

**OFFICER DECLARATION STATEMENT 30 JUNE 2019**

I, Jo-anne Schofield, being the National Secretary of United Voice National Council, declare that the following activities did not occur during the reporting period ending 30 June, 2019.

The reporting unit did not:

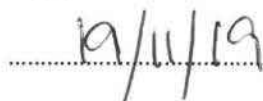
- Agree to receive financial support from another reporting unit to continue as a going concern;
- Agree to provide financial support to another reporting unit to ensure they continue as a going concern;
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
- Receive revenue via compulsory levies;
- Receive revenue from undertaking recovery of wages activity;
- Pay capitation fees to another reporting unit;
- Pay compulsory levies;
- Pay fees or allowances for attendance at meetings and conferences
- Pay a penalty imposed under the RO Act of the Fair Work Act 2009;
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch;
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity;
- Have another entity administer the financial affairs of the reporting unit;
- Pay a separation and redundancy to holders of office;
- Pay a grant that was \$1,000 or less;
- Pay a grant that exceeded \$1,000

Signed

  
.....

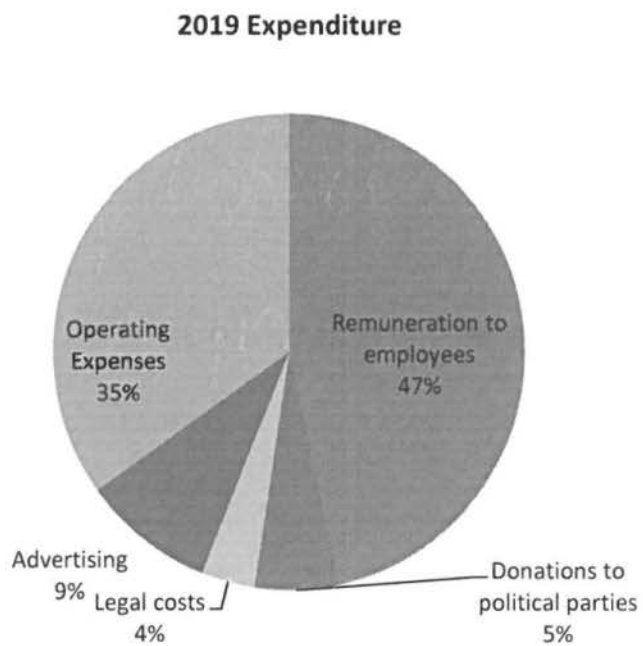
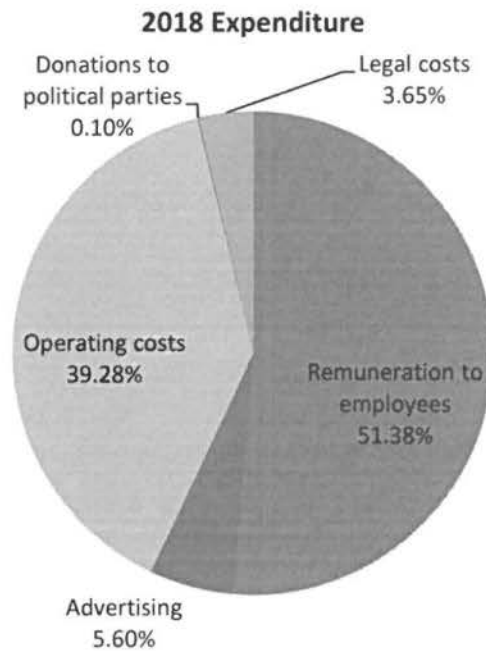
Jo-anne Schofield, National President, former National Secretary United Voice

Date

  
.....

**UNITED VOICE NATIONAL COUNCIL**  
**Expenditure Report required under Subsection 255 (2A)**

The National Executive presents the expenditure report as required under subsection 255 (2A) on United Voice National Council for the year ended 30 June, 2019.



**UNITED VOICE NATIONAL COUNCIL**  
**Expenditure Report required under Subsection 255 (2A)**

For the purpose of the subsection 255 (2A) statement, the following assumptions were utilised:

Remuneration and other employment-related costs and expenses, in respect of employees

Costs include:

- Salaries and wages paid
- Superannuation
- Payroll tax
- Fringe benefits tax
- Motor vehicle allowances paid
- Workers compensation insurance and salary continuance insurance

Donations to political parties

Donations comprise of direct donations to any registered political party or candidates of a registered political party.

Legal Costs

Legal costs include all costs associated with the engagement of external legal services as well as court fees and charges. In-house industrial and legal staff costs are disclosed in remuneration and other employment costs.


Advertising Costs

Advertising costs include any costs incurred for the promotion of the union or for the campaigns of the union. This is paid advertising space in print or online and broadcast and/or radio.

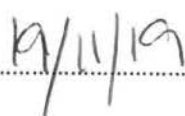
Operating Costs

This includes all other costs incurred to run the National Office excluding the costs of maintaining the investment property.

Signed .....

  
Jo-anne Schofield, National President

Date .....



**UNITED VOICE NATIONAL COUNCIL  
NATIONAL EXECUTIVE'S STATEMENT**

On the 19<sup>TH</sup> November, the Committee of Management of United Workers Union (being the succession entity of United Voice National Council), passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2019:

The National Executive declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with 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);
- (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 National Council 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 National Executive were held in accordance with the rules of the organization and the rules of the National Council; and
  - (ii) The financial affairs of the National Council have been managed in accordance with the rules of the organization and the rules of the National Council; and
  - (iii) The financial records of the National Council have been kept and maintained in accordance with the RO Act; and
  - (iv) The financial records of the National Council have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) No information has been sought in any request of a member of the National Council or the Commissioner under section 272 of the RO Act; and
  - (vi) No order for inspection of the financial records has been made by the Fair Work Commission under section 273 of the RO Act.

The National Executive approves the signing of this report by the National President who is the former National Secretary of United Voice. This declaration is made and signed in accordance with a resolution of the National Executive:

  
.....  
Jo-anne Schofield, National President  
Former National Secretary United Voice

19 November, 2019

**UNITED VOICE NATIONAL COUNCIL  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		<b>\$</b>	<b>\$</b>
Membership income	5A	3,417,557	3,390,755
Sustentation Fees	5B	6,140,795	6,060,712
Interest Received	5C	1,117,906	128,322
Property Revenue	5D	751,976	2,913,011
Merchandising Revenue	5E	3,711	4,759
Other Revenue	5F	856,270	716,843
<b>Total Revenue</b>		<b>12,288,215</b>	<b>13,214,402</b>
<b>Other Income</b>			
Grants and donations	5G		65,593
Net gain from sale of assets	5H	471,158	-
<b>Total Other Income</b>		<b>-</b>	<b>65,593</b>
<b>Total Income</b>		<b>12,759,373</b>	<b>13,279,996</b>
<b>EXPENSES</b>			
Employee Expenses	6A	8,488,418	7,112,319
Indirect employment costs	6B	75,988	81,171
Affiliation fees	6C	799,821	796,716
Administration expenses	6D	258,544	244,673
Depreciation	6E	150,706	195,616
Grants and donations	6F	1,381,723	1,242,317
Finance costs	6G	62,630	31,065
Legal & Professional costs	6H	651,971	504,856
Audit fees	6I	66,907	52,100
Meeting and conference costs	6J	1,185,352	769,500
Campaign costs	6K	1,052,209	67,851
Communication costs	6L	1,878,668	1,044,379
IT costs	6M	674,086	814,859
Property costs	6N	585,930	1,280,051
Research costs	6O	987,152	828,921
Loss from sale of assets		-	-
<b>TOTAL EXPENDITURE</b>		<b>18,300,104</b>	<b>15,066,394</b>
<b>OPERATING DEFICIT FOR YEAR</b>		<b>(5,540,731)</b>	<b>(1,786,398)</b>
<b>Other Comprehensive Income</b>			
Gain on revaluation of Thomas St property		-	46,238,814
<b>Total comprehensive income for the year</b>		<b>(5,540,731)</b>	<b>44,452,416</b>

The accompanying notes form part of these financial statements.

**UNITED VOICE NATIONAL COUNCIL**  
**STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2019**

	Note	2019	2018
<b>CURRENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	7A	881,415	2,105,008
Trade and Other Receivables	7B	2,725,676	2,880,071
Stock on Hand		41,235	39,439
Property held for sale	7C	-	73,208,755
Investments			
Term Deposits	7D	66,262,750	3,833,360
		<u>66,262,750</u>	<u>3,833,360</u>
<b>TOTAL CURRENT ASSETS</b>		<u>69,911,076</u>	<u>82,066,634</u>
<b>NON CURRENT ASSETS</b>			
<b>Receivables</b>			
Financial Assets		557	557
Property, Plant and Equipment	8A	13,910,941	8,061,596
Branch Loan	8C	3,772,812	-
<b>TOTAL NON CURRENT ASSETS</b>		<u>17,684,310</u>	<u>8,062,152</u>
<b>TOTAL ASSETS</b>		<u>87,595,385</u>	<u>90,128,786</u>
<b>LESS CURRENT LIABILITIES</b>			
<b>Payables</b>			
Trade & Other Payables	9A	992,105	1,375,964
<b>Provisions</b>			
Provision for Annual Leave	10A	868,838	754,421
Provision for Long Service Leave	10A	520,610	413,150
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,381,553</u>	<u>2,543,535</u>
<b>NON CURRENT LIABILITIES</b>			
Provision for long service leave	10A	233,732	188,420
<b>TOTAL LIABILITIES</b>		<u>2,615,285</u>	<u>2,731,955</u>
<b>NET ASSETS</b>		<u>84,980,099</u>	<u>87,396,830</u>
Accumulated Funds		77,721,098	73,591,351
Asset revaluation reserve	11A	7,259,000	13,805,479
<b>TOTAL ACCUMULATED FUNDS</b>		<u>84,980,099</u>	<u>87,396,830</u>

The accompanying notes form part of these financial statements.



UNITED VOICE NATIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
<b>Balance as at 1 July 2017</b>	13,205,479	29,138,936	42,344,415
Revaluation increment	600,000	-	600,000
Adjustment for changes in accounting policies			
Deficit for the year	-	(1,786,398)	(1,786,398)
Other Comprehensive income for the year	-	46,238,814	46,238,814
Transfers from retained earnings	-	-	-
<b>Closing balance as at 30 June 2018</b>	<b>13,805,479</b>	<b>73,591,352</b>	<b>87,396,831</b>
Revaluation of Cleveland St property	3,124,000	-	3,124,000
Deficit for the year		(5,540,731)	(5,540,731)
Other Comprehensive income for the year	-	-	-
Transfers to retained earnings	(9,670,479)	9,670,479	-
Transfers from retained earnings	-	-	-
<b>Closing balance as at 30 June 2019</b>	<b>7,259,000</b>	<b>77,721,100</b>	<b>84,980,099</b>

The accompanying notes form part of these financial statements.

**UNITED VOICE NATIONAL COUNCIL**

**STATEMENT FOR CASH FLOW FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Sustentation received from other reporting units	12C	6,959,891	6,467,881
Other Receipts from reporting units	12C	246,870	838,532
Membership contributions		3,739,850	3,752,785
Interest Received		1,127,245	120,216
Other Income		1,321,039	2,445,731
<b>Cash used</b>			
Payments to Employees		(8,221,230)	(6,971,925)
Payments to Suppliers		(10,309,378)	(9,491,093)
Payments to other reporting units	11C	(958,183)	(589,244)
<b>Net cash from (used by) operating activities</b>	12B	<u>(6,093,897)</u>	<u>(3,427,117)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from Sale of Property Plant and Equipment		73,208,755	-
Proceeds from Investments		10,779,365	4,183,861
Distribution from Thomas Street Property Account		739,801	1,234,340
<b>Cash used</b>			
Purchase of land and buildings		(2,876,042)	(1,264,662)
Loan to WA Branch		(3,772,821)	
Payments for investments		(73,208,755)	(851,604)
<b>Net cash from (used by) investing activities</b>		<u>4,870,304</u>	<u>3,301,935</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
<b>Net cash from (used by) financing activities</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(1,223,593)</b>	<b>(125,182)</b>
Cash at the Beginning of the Year		<u>2,105,008</u>	<u>2,230,190</u>
<b>CASH AT THE END OF THE YEAR</b>	12A	<u><b>881,415</b></u>	<u><b>2,105,008</b></u>

The accompanying notes form part of these financial statements.

## UNITED VOICE NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – including Australian Accounting interpretations of the Australian Accounting Standards Board, the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009.

##### 1.1 Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, United Voice, National Council 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 the assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. These 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 New Australian Accounting Standards

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

###### Impact on adoption of AASB 9

###### Initial application

AASB 9 *Financial Instruments* (**AASB 9**) replaces AASB139 *Financial Instruments: Recognition and Measurement* (**AASB 139**) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

## UNITED VOICE NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The National Council has applied AASB 9 retrospectively, with an initial application date of 1 July 2018.

The adoption of AASB 9 did not have any material impact on the amount disclosed in the comparative financial year.

#### Future Australian Accounting Standards Requirements

- AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The National Council is yet to undertake a detailed assessment of the impact of AASB 1058 and AASB 15. However, based on the National Council's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopts for the year ending 30 June 2020.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significantly affect the National Council.

#### **Adoption of New 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.

#### **1.4 Investment in associates and joint arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

The entity's share of assets, liabilities, revenue and expenses of jointly controlled operations has been included in the financial statements. Details of the National Council's interest are provided in Note 8.

United Voice has not invested in any new joint arrangements.

## **UNITED VOICE NATIONAL COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

#### **1.5 Revenue**

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

Sustentation Fees, Property Income, Interest and Contribution Income are accounted for on an accruals basis.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

#### **1.6 Sustentation fees and levies**

Sustentation fees and levies payable from the Branches of the Union are recognised on an accruals basis and recorded as revenue in the year to which they relate.

#### **1.7 Employee Benefits**

##### **Short-term employee provisions**

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

### **Other long-term employee provisions**

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 the reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

### **1.8 Leases**

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

Rental revenue from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### **1.9 Borrowing costs**

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

### **1.10 Cash**

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### **1.11 Financial instruments**

Financial assets and financial liabilities are recognised when the National Council becomes a party to the contractual provisions of the instrument.

### **1.12 Financial assets**

#### **Initial recognition and Measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the National Council's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the National Council initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

## **UNITED VOICE NATIONAL COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The National Council's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the National Council commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### **Financial assets at amortised costs**

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The National Council's financial assets at amortised cost includes trade receivables and loans to related parties.



**Financial assets at fair value through profit or loss (including designated)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**1.13 Fair Value of Assets and Liabilities**

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**1.14 Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

**Freehold property**

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuation by external independent valuers, less subsequent depreciation for buildings.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

Properties held for the purpose of accommodation of the Union are shown at cost price less depreciation.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**UNITED VOICE NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Property	2%
Building improvements	15%
Office Furniture and Equipment	20%
Motor Vehicles	15%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**Sale of Assets**

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

**De-recognition**

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

**Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

**UNITED VOICE NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**1.15 Taxation**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**1.16 Account Payables and other payables**

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

**1.17 Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**1.18 Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

Any investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2019**

**1.19 Going Concern**

United Voice National Council is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

United Voice National Council does not provide support to another reporting unit to ensure they can continue on a going concern basis.

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**Critical judgments in applying the Union's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of an organisation, 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).

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**4. EVENTS AFTER THE REPORTING PERIOD**

On the 11<sup>th</sup> November, 2019 United Voice amalgamated with the National Union of Workers to form the United Workers Union.

The impact of this amalgamation on future accounting periods is:

- United Voice National Council is to change its name to the United Workers' Union;
- The former Branch structure of both United Voice and the National Union of Workers is to fold these operatives into one reporting unit (being the United Workers' Union)
- The United Workers' Union on 11 November, 2019 will acquire the assets and liabilities of all former United Voice and National Union of Workers reporting units.

The above mentioned subsequent event has not been reflected in these financial statements and will be disclosed in the 30 June 2020 financial statement of the United Workers' Union.

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note	INCOME	Note	2019 \$	2018 \$
<b>5A</b>	<b>Contributions from Members</b>			
	ACT Branch membership		758,071	741,197
	Tas. Branch membership income		1,194,718	1,274,477
	NT Branch membership income		<u>1,464,768</u>	<u>1,375,080</u>
			<u>3,417,557</u>	<u>3,390,754</u>
<b>5B</b>	<b>Sustentation revenue</b>			
	NSW Branch		1,067,404	1,070,120
	Victorian Branch		958,179	1,006,489
	Queensland Branch		1,978,500	1,864,924
	South Australia Branch		1,032,804	977,687
	Western Australia Branch		<u>1,103,908</u>	<u>1,141,492</u>
			<u>6,140,795</u>	<u>6,060,712</u>
<b>5C</b>	<b>Interest Revenue</b>			
	Interest on Deposits		<u>1,117,906</u>	<u>128,322</u>
<b>5D</b>	<b>Property Revenue</b>			
	Rental income Level 9 TS		113,302	532,689
	Rental income from Joint arrangement		529,461	2,291,042
	Rental income Cleveland St Property		73,320	66,000
	Rental income Tas Branch property		12,023	-
	Rental income NT Branch		14,974	14,880
	Rental income ACT Branch		<u>8,896</u>	<u>8,400</u>
			<u>751,976</u>	<u>2,913,011</u>
<b>5E</b>	<b>Merchandising Revenue</b>			
	Sale of Merchandise		<u>3,711</u>	<u>4,759</u>



UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>5F Other Revenue</b>		
Directors Fees	158,110	132,480
ACTU Trust distribution	12,692	44,791
Marketing funds	499,395	443,677
Sponsorships	76,399	13,818
Reimbursement of costs	109,674	82,077
	<u>856,270</u>	<u>716,843</u>
<b>5G Donations</b>		
Branch contribution to National donations		
Donations for campaigns	-	65,593
	<u>-</u>	<u>65,593</u>
<b>5H Gain on Sale of Assets</b>		
Settlement of Thomas St property	471,158	-
	<u>471,158</u>	<u>-</u>
<b>Note 6 EXPENSES</b>		
<b>6A EMPLOYEE EXPENSES</b>		
<b>Holders of Office</b>		
Wages and salaries	591,301	561,960
Superannuation	94,777	83,924
Leave and other entitlements	80,734	77,821
Other Employee Expenses	58,510	92,890
<b>Subtotal employee expenses holders of office</b>	<u>825,322</u>	<u>816,595</u>
<b>Employees other than office holders</b>		
Wages and salaries	5,429,879	3,872,302
Superannuation	922,269	770,471
Leave and other entitlements	941,838	728,512
Separation and redundancies	33,397	35,406
Other Employee Expenses	335,713	889,033
<b>Subtotal employee expenses employees other than office holders</b>	<u>7,663,096</u>	<u>6,295,724</u>
<b>Total employee expenses</b>	<u>8,488,418</u>	<u>7,112,319</u>

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>6B INDIRECT EMPLOYMENT COSTS</b>		
Removal/Relocation Expenses	8,286	3,745
Education and Staff Training	20,949	29,972
Staff Amenities	14,596	9,653
Staff selection	2,716	10,856
Mobile Phone	17,070	14,908
Motor Vehicle Expenses	12,371	12,037
<b>TOTAL INDIRECT EMPLOYMENT COSTS</b>	<b>75,988</b>	<b>81,171</b>
<b>6C AFFILIATION FEES</b>		
ACTU	655,209	672,672
Australian Labor Party - Tas	9,352	8,341
Australian Labor Party - ACT Branch	5,750	4,354
Australian Labor Party - NT Branch	11,332	10,491
Unions Tas	14,823	14,100
Unions ACT	10,160	9,833
Trades and Labor Council NT	14,353	13,931
ETU	1,709	-
UNI	69,042	-
IUF & IOUF Asia	-	55,927
Prison Officers Ass	1,683	1,075
ACOSS	1,818	1,536
APHEDA	4,590	4,456
<b>TOTAL AFFILIATION FEES</b>	<b>799,821</b>	<b>796,716</b>
<b>6D ADMINISTRATION EXPENSES</b>		
Electricity	55,717	53,977
General Expenses	2,676	4,323
Postage & freight	41,557	23,233
Printing & stationery	82,715	86,710
Telephone - Fixed	75,879	76,431
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>258,544</b>	<b>244,673</b>

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>6E DEPRECIATION</b>		
Depreciation - Computers	15,139	22,076
Depreciation - Motor Vehicles	9,825	9,824
Depreciation - Property	<u>125,742</u>	<u>163,716</u>
<b>TOTAL DEPRECIATION</b>	<u>150,706</u>	<u>195,616</u>
<b>6F GRANTS AND DONATIONS</b>		
Grants:	-	-
Donations		
Total paid that were \$1,000 or less	7,628	5,407
Total paid that exceeded \$1,000	<u>1,374,095</u>	<u>1,236,910</u>
<b>TOTAL GRANTS OR DONATIONS</b>	<u>1,381,723</u>	<u>1,242,317</u>
<b>6G FINANCE COSTS</b>		
Bank Charges	9,591	10,743
Consideration to employers for payroll deductions	633	661
Insurance Premiums	<u>52,406</u>	<u>19,660</u>
<b>TOTAL FINANCE COSTS</b>	<u>62,630</u>	<u>31,065</u>
<b>6H LEGAL COSTS</b>		
Litigation	373,633	279,018
Other Legal Costs	<u>278,338</u>	<u>225,838</u>
<b>TOTAL LEGAL COSTS</b>	<u>651,971</u>	<u>504,856</u>
<b>6I AUDIT FEES</b>		
Audit Fees	36,000	39,600
Other audit costs	<u>30,907</u>	<u>12,500</u>
	<u>66,907</u>	<u>52,100</u>

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>6J MEETING AND CONFERENCE COSTS</b>		
Accommodation	174,957	171,207
Airfares	464,407	340,300
Travel allowance	79,987	72,839
Parking and cab charges	70,249	60,865
Other meeting costs	128,968	83,813
Conference costs	266,784	40,476
	<u>1,185,352</u>	<u>769,500</u>
<b>6K CAMPAIGN COSTS</b>		
Other Expenses	1,004,975	36,715
Promotions - merchandise	47,234	31,136
	<u>1,052,209</u>	<u>67,851</u>
<b>6L COMMUNICATION COSTS</b>		
Advertising	62,910	59,192
Media costs	1,552,515	739,900
Union News National	240,235	221,743
SMS messages	2,174	9,914
Video Production	20,834	13,631
	<u>1,878,668</u>	<u>1,044,379</u>
<b>6M IT COSTS</b>		
IT Maintenance & Support	480,399	635,181
Internet - Internet & website	193,686	179,678
	<u>674,085</u>	<u>814,859</u>
<b>6N PROPERTY COSTS</b>		
Cleveland St running costs	143,219	29,907
NT Branch running costs	62,466	46,315
ACT Branch running costs	61,323	30,292
Tas Branch running costs	17,761	46,405
Thomas Street running costs	301,161	1,127,132
	<u>585,930</u>	<u>1,280,051</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>6O Research Costs</b>		
Research	70,481	271,023
External support	898,991	543,354
Subscriptions & Journals	17,680	14,544
	<u>987,152</u>	<u>828,921</u>
<b>Note 7 CURRENT ASSETS</b>		
<b>7A Cash and Cash Equivalents</b>		
Cash at Bank	879,165	2,102,758
Cash on Hand	2,250	2,250
	<u>881,415</u>	<u>2,105,008</u>
<b>7B Receivables</b>		
Receivables from other reporting units		
NSW Branch	337,972	368,807
Qld Branch	756,241	1,013,877
SA Branch	284,576	249,014
Victorian Branch	279,033	281,940
WA Branch	322,390	323,089
Total receivables from other reporting units	1,980,212	2,236,727
Less Provision for doubtful debts	-	-
Receivable from other reporting units	<u>1,980,212</u>	<u>2,236,727</u>
<b>Other Receivables</b>		
Prepayments	89,804	140,306
Accrued interest	9,935	19,274
Membership fees receivable	39,198	21,505
Other receivables	606,527	462,259
	<u>745,464</u>	<u>643,344</u>
<b>Total Trade and Other Receivables (net)</b>	<u>2,725,676</u>	<u>2,880,071</u>

*Provision for Doubtful Debts*

A provision is recognised for doubtful debts when membership subscription fees owing have been given to a third party for collection or where full recoverability is unlikely.

UNITED VOICE NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>7C Asset Held for Sale</b>		
Tasmanian Property Davey St Hobart		
Sale value 2019 (i)	-	1,000,000
Thomas St Investment Property		
50% sale value (ii)	-	72,208,755
	<u>-</u>	<u>73,208,755</u>
<b>7D INVESTMENTS</b>		
Short Term Bank Deposits	476,847	2,078,955
Term Deposits	<u>65,785,903</u>	<u>1,754,405</u>
	<u>66,262,750</u>	<u>3,833,360</u>
<b>Note 8 NON CURRENT ASSETS</b>		
<b>8A Property Plant and Equipment</b>		
(a) Furniture and fittings		
At Cost	180,721	180,721
Less Accumulated Depreciation	<u>(180,721)</u>	<u>(180,721)</u>
	<u>-</u>	<u>-</u>
(b) IT Systems		
At Cost	\$143,093	\$177,730
Less Accumulated Depreciation	<u>(\$136,687)</u>	<u>(\$163,781)</u>
	<u>\$6,406</u>	<u>13,949</u>
(c) Motor Vehicles		
At Cost	\$110,640	65,495
Less Accumulated Depreciation	<u>(\$47,077)</u>	<u>(37,252)</u>
	<u>\$63,563</u>	<u>28,243</u>
(d) Properties		
Cleveland St property at fair value		
30.6.19	\$8,500,000	5,600,000
less accumulated depreciation	<u>-</u>	<u>(224,000)</u>
	<u>\$8,500,000</u>	<u>5,376,000</u>
ACT Branch office at fair value	\$851,394	851,394
less accumulated depreciation	<u>(\$404,321)</u>	<u>(382,440)</u>
	<u>\$447,073</u>	<u>468,954</u>
Tas Branch office at fair value	\$1,717,518	1,264,662
less accumulated depreciation	<u>(\$94,806)</u>	<u>(10,394)</u>
	<u>\$1,622,712</u>	<u>1,254,268</u>
NT Branch office at fair value	\$972,024	972,024
less accumulated depreciation	<u>(\$71,282)</u>	<u>(51,842)</u>
	<u>\$900,742</u>	<u>920,182</u>

**UNITED VOICE NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Greek St Property Deposit	2,370,443	-
<b>Total Property</b>	<b>13,840,971</b>	<b>8,019,404</b>
 <b>Total Property Plant and Equipment</b>	 <b>13,910,941</b>	 <b>8,061,596</b>

During the year the National Council in conjunction with the NSW Branch made a 10% deposit for the purchase of land and building located at 37 Greek St, Glebe. The above amount represents the National Council's 50% share of the deposit (refer Note 11 for further details)

**8B Reconciliation of the opening and closing values of property**

	2019	2018
	\$	\$
As at 1 July		
Gross Book Value	8,688,080	8,011,032
Accumulated depreciation and impairment	(668,676)	(692,573)
Net Book value 1 July	8,019,404	7,318,459
Additions		
By purchase	2,823,309	1,264,660
From acquisition of entities	-	-
Depreciation Expense	(125,742)	(163,716)
Other movement	-	-
Disposals	-	-
Transfer to Property held for Sale	-	(400,000)
Revaluation of Cleveland St Property	3,124,000	
Net Book value as of 30 June represented by	13,840,971	8,019,404
 Gross Book Value	 14,411,380	 8,688,080
Accumulated depreciation and impairment	(570,409)	(668,676)
Net Book value 30 June	13,840,971	8,019,404

The revalued land and buildings consist of the union offices in NT and NSW (National Office). We have determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or conditions of the specific property. As at the date of revaluation (30.6.19), the properties fair values are based on market valuations performed by TPG Ltd.

**UNITED VOICE NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PLANT AND EQUIPMENT**

As at 1 July	2019	2018
	\$	\$
Gross Book Value	\$429,993	\$429,993
Accumulated depreciation and impairment	<u>(\$387,800)</u>	<u>(\$355,900)</u>
Net Book value 1 July	<u>\$42,193</u>	<u>\$74,093</u>
Additions		
By purchase	\$52,741	-
Revaluations		
Impairments	-	-
Depreciation Expense	(\$24,964)	(\$31,900)
Other movement	-	-
Disposals of IT equipment	<u>-</u>	<u>-</u>
Net Book value as of 30 June represented by	<u>\$69,970</u>	<u>\$42,193</u>
 Gross Book Value	 \$434,455	 \$429,993
Accumulated depreciation and impairment	<u>(\$364,485)</u>	<u>(\$387,800)</u>
Net Book value 30 June	<u>\$69,970</u>	<u>\$42,193</u>

**8C Branch Loans**

Payment of Loan on WA Branch Building	3,184,547	-
Operating loan	<u>588,265</u>	<u>-</u>
	<u>3,772,812</u>	<u>-</u>



**UNITED VOICE NATIONAL COUNCIL****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

In the financial year 2018-19 United Voice National Council and United Voice NSW Branch held the investment property at 187 Thomas Street, Haymarket as Property available for sale. The property was settled on the 5 October, 2019

**Joint Arrangements Thomas Street Property**

<b>Summarised Financial Position</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NON CURRENT ASSETS</b>		
Investment property at fair value		
Building at valuation	-	-
<b>TOTAL NON CURRENT ASSETS</b>	-	-
<b>CURRENT ASSETS</b>		
Deposit and sundry debtors	-	197,723
Accrued interest	-	18,516
Prepayments	-	15,567
Cash at Bank	-	293,065
Asset held for sale	-	72,208,754
Investments	-	1,468,527
<b>TOTAL CURRENT ASSETS</b>	-	74,202,152
<b>TOTAL ASSETS</b>	-	74,202,152
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	-	241,252
<b>TOTAL LIABILITIES</b>	-	241,252
<b>NET ASSETS</b>	-	73,960,899

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2019

	2019 \$	2018 \$
<b>Joint</b>		
<b>Summarised Financial Performance</b>		
<b>INCOME</b>		
Interest	40,343	70,430
Rent received	529,461	2,590,387
Gain on sale of building	471,158	-
	<u>1,040,962</u>	<u>2,660,817</u>
<b>EXPENDITURE</b>		
Building Running Expenses	208,340	1,040,198
Property running costs	7,815	50,512
General Expenses	1,725	556
Leasing Fees, Management	6,200	35,866
Level 9 rent paid to National Council	77,081	299,345
<b>TOTAL EXPENDITURE</b>	<u>301,161</u>	<u>1,426,477</u>
<b>OPERATING SURPLUS FOR THE YEAR</b>	<u>739,801</u>	<u>1,234,340</u>
Gain/(Loss) on revaluation of property	-	46,238,814
<b>SURPLUS FOR THE YEAR</b>	<u>739,801</u>	<u>47,473,154</u>

UNITED VOICE NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 9 CURRENT LIABILITIES</b>		
<b>9A Sundry Creditors</b>		
Trade creditors and accruals	351,294	251,194
Subtotal trade creditors	351,294	251,194
<u>Payables to other reporting units</u>		
United Voice NSW Branch	107,024	-
United Voice SA Branch	16,579	111,285
United Voice WA Branch	-	31,834
United Voice Vic Branch	73,274	137,131
United Voice Qld Branch	33,895	504
Subtotal Payables to other reporting units	230,772	280,754
<u>Other payables</u>		
Thomas St payables	-	241,252
Superannuation	69,476	66,101
Commission owing	-	-
Litigation	5,360	71
Other legal costs	41,371	-
Payroll deductions	1,080	8,756
Prepaid Income	147,727	190,581
GST payable	145,025	337,254
Subtotal other payables	410,039	844,015
 Total Sundry Creditors	 992,105	 1,375,963
 Total sundry creditors are expected to be settled in:		
No more than 12 months	992,105	1,375,963
More than 12 months	-	-
	992,105	1,375,963

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2019

Note		2019	2018
10	PROVISIONS	\$	\$
10A	Employee Provisions		
	Office Holders:		
	Annual Leave	235,609	214,814
	Long Service Leave	289,145	221,970
	Separations and redundancies		-
	Other		-
	<b>Subtotal employee provisions - office holders</b>	<b>524,754</b>	<b>436,784</b>
	<b>Employees other than Office Holders</b>		
	Annual Leave	633,229	539,608
	Long Service Leave	465,197	379,600
	Separations and redundancies		-
	Other		-
	<b>Subtotal employee provisions - employees other than office holders</b>	<b>1,098,426</b>	<b>919,208</b>
	<b>Total Employee provisions</b>	<b>1,623,180</b>	<b>1,355,992</b>
	Current	1,389,334	1,167,572
	Non-current	233,846	188,420
	<b>Total Employee provisions</b>	<b>1,623,180</b>	<b>1,355,992</b>
Note 11	Contingent Liabilities, Assets and Commitments		
11A	Capital Commitments		
	During the year, National Council (in conjunction with the NSW Branch), entered into a purchase contract for the land and buildings located at 19-37 Greek St, Glebe, NSW 2037.		
	It has been agreed by both the Branch and National Council to jointly purchase the building. The terms of the agreement are:		
	Purchase consideration	42,963,975	-
	Less 10% deposit	(4,296,397)	-
	Remaining capital commitment	38,667,578	
	<b>Total capital commitment of National Council (50%)</b>	<b>19,333,789</b>	

It is anticipated that the building will be settled in 2020.

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2019

	2019 \$	2018 \$
<b>Note</b>		
<b>12 RESERVES</b>		
<b>12A Asset Revaluation Reserve</b>		
Opening balance - 1 July	13,805,479	13,205,479
Transfer realised gains to retained earnings	(9,670,479)	-
Revaluation increment on Cleveland St property	<u>3,124,000</u>	<u>600,000</u>
Closing balance 30 June	7,259,000	13,805,479
<b>12B Compulsory Levy/voluntary contribution fund</b>	<u>-</u>	<u>-</u>
<b>Note</b>		
<b>13 CASH FLOW</b>	<b>\$</b>	<b>\$</b>
<b>13A Reconciliation of Cash</b>		
Cash at Bank	879,165	2,102,758
Cash at Hand	<u>2,250</u>	<u>2,250</u>
	<u>881,415</u>	<u>2,105,008</u>
Cash flow statement	881,415	2,105,008
Balance Sheet	<u>881,415</u>	<u>2,105,008</u>
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>13B Reconciliation of Cash Flow from Operations with Net Surplus</b>		
Net Surplus	(5,540,731)	44,452,416
Non Cash Flows in Net Surplus		
Depreciation	150,706	195,616
Surplus on Disposal of Assets	-	-
Thomas Street Surplus	(739,801)	(1,234,340)
Fair value gain on revaluation of Thomas St	-	(46,238,814)
Changes in Assets and Liabilities		
(Increase)/Decrease in stock on hand	(1,795)	(5,041)
(Increase)/Decrease in other receivables	(77,256)	(407,451)
(Increase)/Decrease in prepayments	50,502	(112,246)

UNITED VOICE NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
(Increase)/Decrease in Accrued Interest	9,339	(8,106)
(Increase)/Decrease in Amounts due from Branches	171,811	(467,013)
Increase/(Decrease) in Sundry Creditors	(383,859)	257,721
Increase / (Decrease) in Employees Provisions	267,188	140,142
	<u>(6,093,897)</u>	<u>(3,427,117)</u>
<b>13C Cash Flow Information</b>		
<b>Cash Inflows</b>		
<b>Sustentation received</b>		
NSW Branch	1,173,642	1,193,360
Qld Branch	2,394,837	1,829,810
SA Branch	1,094,213	1,107,436
Victorian Branch	1,070,299	1,117,535
WA Branch	1,226,900	1,219,740
<b>Total cash inflows from sustentation</b>	<u>6,959,891</u>	<u>6,467,881</u>
NSW Branch	90,017	240,808
Qld Branch	90,526	122,826
SA Branch	41,962	141,619
Victorian Branch	12,563	262,344
WA Branch	11,802	70,935
<b>Total cash inflows from other receipts</b>	<u>246,870</u>	<u>838,532</u>
<b>Cash Outflows</b>		
NSW Branch	113,235	41,508
Qld Branch	35,760	43,880
Qld Branch Poll Printing	2,872	8,480
SA Branch	143,629	76,256
Victorian Branch	529,115	367,853
WA Branch	133,572	51,267
<b>Total cash outflows</b>	<u>958,183</u>	<u>589,244</u>

Note: Cash flow information to/from other reporting units disclosed include 10% GST.

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
JUNE 2019

**Note**

**14A**

**RELATED PARTIES**

National President	Gary Bullock	1.7.18	30.6.19
National Vice Presidents	Lyndal Ryan	1.7.18	30.6.19
	Jess Walsh	1.7.18	30.6.19
National Secretary	Jo-Anne Schofield	1.7.18	30.6.19
Assistant National Secretary	Helen Gibbons	1.7.18	30.6.19
Executive Members	Melanie Gatfield	1.7.18	30.6.19
	Julie Korleveska	1.7.18	30.6.19
	Gary Bullock	1.7.18	30.6.19
	Sharron Caddie	1.7.18	30.6.19
	David DiTroia	1.7.18	30.6.19
	Donna Duke	1.7.18	30.6.19
	Carolyn Smith	1.7.18	30.6.19
	Karma Lord	1.7.18	30.6.19
	Jess Walsh	1.7.18	30.6.19
	Ben Redford	1.7.18	30.6.19
	Jannette Armstrong	1.7.18	30.6.19
	Erina Early	1.7.18	30.6.19
	Lyndal Ryan	1.7.18	30.6.19

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30**  
**JUNE 2019**

**14B KEY MANAGEMENT PERSONNEL REMUNERATIONS FOR THE REPORTING PERIOD**

**Short-term employee benefits**

Salary (including annual leave taken)	730,545	689,027
Annual leave accrued	(15,146)	46,386
Performance bonus	-	-
Other benefits	8,551	9,673
<b>Total short-term employee benefits</b>	<b>723,950</b>	<b>745,086</b>

**Post-employment benefits**

Superannuation	94,777	83,924
<b>Total post-employment benefits</b>	<b>94,777</b>	<b>83,924</b>

**Other long-term benefits:**

Long service leave accrual	16,009	44,032
<b>Total other long term benefits</b>	<b>16,009</b>	<b>44,032</b>

**Termination benefits**

	-	-
<b>Total</b>	<b>834,737</b>	<b>873,042</b>

**Note 14C Other Transactions**

There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.



**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**Note 14D      Other Related Party Transactions**

The National Council is the ultimate controlling entity of the United Voice Union.

Transactions with Branches include:

- (i) Sustentation fees charged to Branches which are disclosed as income in the statement of comprehensive income and detailed in Note 5B.
- (ii) Transactions between the Branches of the Union and the National Office occur for the provision of services and reimbursement of expenses. The amounts paid and received from the Branches are disclosed in the Cash Flow Statement and detailed in Note 12C.
- (iii) The amounts receivable from Branches are disclosed in the statement of financial position and detailed in Note 7B.
- (iv) The amounts payable to the Branches are disclosed in the statement of financial position and detailed in Note 9A.
- (v) As disclosed at Note 8C, the National Council and NSW Branch have a joint arrangement in the Thomas Street Investment Property Account.
- (vi) The National Council is the controlling entity for the Branches in the ACT, Tasmania and the Northern Territory. All income received and expenses paid on behalf of these Branches are included in the National Council finances.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**15. FINANCIAL RISK MANAGEMENT**

**Overview**

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The union's financial instruments consist mainly of deposits with banks, trade receivables and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The Union's Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. The Union's risk management policies are established to identify and analyse the risks faced by the Union, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Union's activities. The Union, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**(a) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the union.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Debtors – Branches	1,980,211	2,236,727
Other receivables	745,464	643,344
	<hr/>	<hr/>
Total loans and receivables	2,725,675	2,880,071
	<hr/>	<hr/>

There has been no history of default and all receivables are likely to be repaid within the expected terms.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**Impairment Losses**

The ageing of the Union's trade and other receivables at the reporting date was:

<b>2018</b>	<b>Gross Amount</b>	<b>Past Due but not impaired</b>	
		<b>&lt; 30 days</b>	<b>&gt; 30 days</b>
Receivables from other reporting entities	2,236,727	2,007,785	228,942
Other Receivables	<u>643,344</u>	<u>635,215</u>	<u>8,129</u>
	<u>2,880,071</u>	<u>2,643,000</u>	<u>237,071</u>

**2019**

Receivables from other reporting entities	1,980,211	1,759,359	220,852
Other Receivables	<u>745,464</u>	<u>714,724</u>	<u>30,740</u>
	<u>2,725,675</u>	<u>2,474,083</u>	<u>251,592</u>

**Cash and cash equivalents**

The Union held cash and cash equivalents of

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash	<u>881,415</u>	<u>2,105,008</u>

The cash and cash equivalents are held at highly rated bank and financial institution counterparts.

**Collateral held as Security**

The Union does not hold Collateral with respect to its trade and other receivables at 30 June, 2019.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**15. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Liquidity Risk**

Liquidity risk is the risk that the union may encounter difficulties raising funds to meet commitments associated with financial liabilities.

As at 30 June 2019 the Union had cash of \$881,415 (2018: \$2,105,008) to meet these commitments as they fall due. Financial liabilities at 30 June 2019 totalled \$2,725,676 (2018: \$2,880,071). The Union manages liquidity risk by monitoring cash flows and maintains an investment fund in respect of the leave liability.

**(c) Market Risk**

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

At the reporting date the interest rate profit of the Union's interest bearing financial instruments was:

<b>Variable rate instruments</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Bank Balances	881,415	2,105,008
Call deposits	476,847	2,087,873
Term deposits	<u>65,785,903</u>	<u>1,745,487</u>
	<u>67,144,165</u>	<u>5,938,368</u>

**(d) Interest Rate Risk**

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

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2019

15. FINANCIAL RISK MANAGEMENT (CONT'D)

30 June 2018	Floating Interest Rate	Fixed Interest Rate		Non-interest Bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	2,102,758	-	-	2,250	2,105,008
Call deposits	2,078,955	-	-	-	2,078,955
Term deposits	-	1,754,405	-	-	1,754,405
	4,181,713	1,754,405	-	2,250	5,938,368
Financial Liabilities					
Payables	-	-	-	(1,375,963)	(1,375,963)
Net financial assets	4,181,713	1,754,405	-	(1,373,713)	4,562,405
Weighted average Interest	0.5%	2.7%			

30 June 2019	Floating Interest Rate	Fixed Interest Rate		Non-interest Bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	879,165	-	-	2,250	881,415
Call deposits	66,262,750	-	-	-	66,262,750
Term deposits	-	-	-	-	-
	67,141,915	-	-	2,250	67,144,165
Financial Liabilities					
Payables	-	-	-	(992,105)	(992,105)
Net financial assets	67,141,915	-	-	(989,855)	66,152,060
Weighted average Interest	1.9%				

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**15. FINANCIAL RISK MANAGEMENT (CONT'D)**

**Sensitivity Analysis**

<b>2018</b>	<b>Carrying Amount</b>	<b>+1%</b>	<b>-0.25%</b>
		<b>Profit</b>	<b>Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at Bank and at call	4,181,713	41,817	10,454
Other deposits	1,754,405	17,544	4,386
<b>2019</b>	<b>Carrying Amount</b>	<b>+1%</b>	<b>-0.25%</b>
		<b>Profit</b>	<b>Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at Bank and at call	67,141,915	671,419	167,855
Other deposits	-	-	-

**(e) Other Price Risks**

The union does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

**(f) Foreign Exchange Risk**

The union is not exposed to foreign exchange rate risk.

**16. FINANCIAL INSTRUMENTS – FAIR VALUES**

**14a Accounting classifications and fair values**

Management of the reporting unit assessed that cash, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Assets held for sale are measured at the price offered in the market.

The following table contains the carrying amounts and related fair values for National Council financial assets and liabilities:

UNITED VOICE NATIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2019

16. FINANCIAL INSTRUMENTS – FAIR VALUES (CONT'D)

	Carrying Amount 2019	Fair Value 2019	Carrying Amount 2018	Fair Value 2018
<b>Financial Assets</b>	\$	\$	\$	\$
Cash and cash equivalents	881,415	881,415	2,105,008	2,105,008
Trade and other receivables	2,725,676	2,725,676	2,880,071	2,880,071
Property held for sale	-	-	73,208,755	73,208,755
Investments – term deposits	66,262,750	66,262,750	3,833,360	3,833,360
<b>Total Financial Assets</b>	<b>69,869,841</b>	<b>69,869,841</b>	<b>82,027,194</b>	<b>82,027,194</b>
<b>Financial Liabilities</b>				
Sundry Creditors	992,105	992,105	1,375,963	1,375,963
<b>Total Financial Liabilities</b>	<b>992,105</b>	<b>992,105</b>	<b>1,375,963</b>	<b>1,375,963</b>

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

(i) Cash and cash equivalents, accounts receivable and other debtors, investments – term deposits and sundry creditors are short term instruments in nature whose carrying value is equivalent to fair value. Sundry creditors exclude amounts provided for annual leave, which is outside the scope of AASB 9;

(ii) Property held for sale in 2018 was settled in 2019

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

**UNITED VOICE NATIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**  
**2019**

**16. FINANCIAL INSTRUMENTS – FAIR VALUES (CONT'D)**

*Fair value hierarchy – 30 June 2018*

<b>Assets measured at fair value</b>	<b>Note</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
			<b>\$</b>	<b>\$</b>	<b>\$</b>
Property held for sale	7c		73,208,755	-	-
303 Cleveland St, Redfern property	8a	30 June'16	5,600,000	-	-
Wood St, Darwin property	8a	30 June'16	939,623	-	-
			<u>79,748,378</u>	<u>-</u>	<u>-</u>

*Fair value hierarchy – 30 June 2019*

<b>Assets measured at fair value</b>	<b>Note</b>	<b>Date of valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
			<b>\$</b>	<b>\$</b>	<b>\$</b>
303 Cleveland St, Redfern property	8a	30 June'19	8,500,000	-	-
Wood St, Darwin property	8a	30 June'16	900,743	-	-
			<u>9,400,743</u>	<u>-</u>	<u>-</u>

National Council does not have any other assets or liabilities that are recorded using a fair value technique.

**17. REGISTERED OFFICE**

The registered office and principal place of business of the National Council is:

303 Cleveland Street  
 REDFERN NSW 2016



## Independent Audit Report to the Members of United Voice – National Council

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of United Voice – National Council (the Union), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of United Voice – National Council as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

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

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

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

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

## **Responsibilities of Committee of Management for the Financial Report**

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

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

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

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

### **Declaration**

I declare I am a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

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

*M. L. S.*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Brisbane

19 November 2019

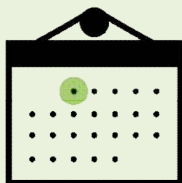
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2



**Australian Government**  
**Registered Organisations Commission**

10 December 2019

Paul Richardson  
Director - Finance, Governance and Administration  
United Workers' Union  
Sent via email: paul.richardson@unitedworkers.org.au



**URGENT REMINDER:**

**The United Voice's financial report is due  
(FR2019/217)**

Dear Paul Richardson,

We are writing to remind you of the United Voice's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

**Did you know?** The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



**Compliance Calculator**

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.



2 July 2019

Jo-anne Schofield  
National Secretary  
United Voice  
Sent via email: [info@unitedvoice.org.au](mailto:info@unitedvoice.org.au)

Dear Jo-anne Schofield,

**Re: Lodgement of Financial Report - FR2019/217**  
***Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Voice (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

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

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

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

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

### **Financial report**

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

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

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

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements

developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

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

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

### **Contact**

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

Yours faithfully,

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

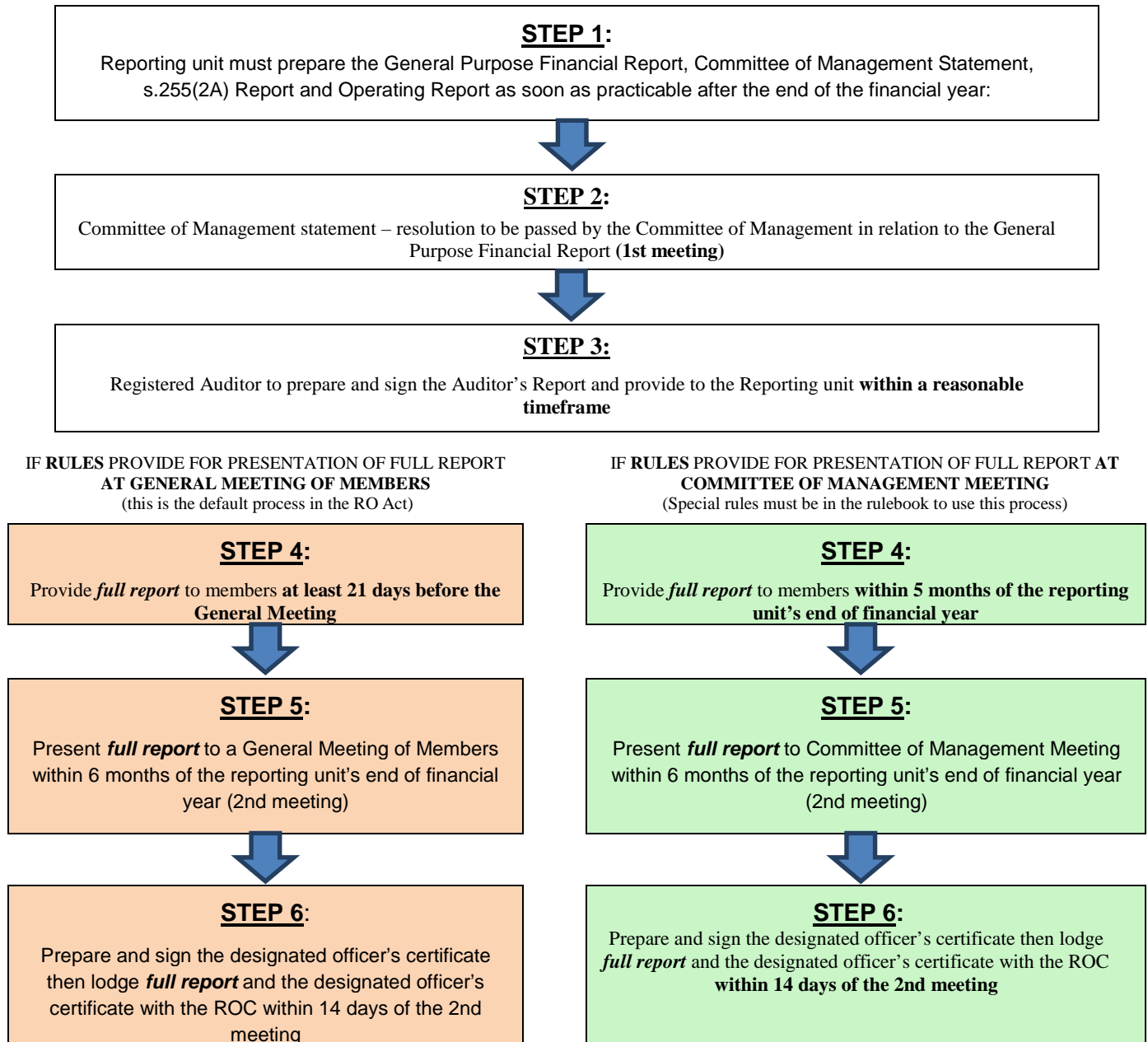


## Fact sheet

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

#### General Information:



















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





## Misconceptions

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

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

© Commonwealth of Australia 2018

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





## **Fact sheet**

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

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

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

#### **The Loans, Grants & Donations Statement**

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







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

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

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

## Common misconceptions

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

Misconception	Requirement
 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 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

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

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

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

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

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

## **Implications for filing the Financial Report**

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

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

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

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

Previous financial reports and filing letters are available from the website.

## **Further information**

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

## Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution <b>Did you know?</b> This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report <b>Tips:</b> You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none"><li>• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019</li><li>• If you are going to a general meeting of members, 21 days before the meeting</li></ul>	<input type="checkbox"/>
Present the full report to the second meeting. <b>Hints:</b> This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within <b>14 days</b> of the meeting – <a href="mailto:regorgs@roc.gov.au">regorgs@roc.gov.au</a> <b>TIP:</b> lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au) or call us on 1300 341 665.

Yours sincerely,

## Registered Organisations Commission



### Penalties apply

**We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.**

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.