



5 January 2017

Ms Carolyn Smith
Branch Secretary
United Voice – Western Australian
Level 2, 54 Cheriton Street
PERTH WA 6000

via email: carolyn.smith@unitedvoice.org.au

Dear Ms Smith

United Voice Western Australian Financial Report for the year ended 30 June 2016 - [FR2016/78]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the United Voice Western Australian Branch (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 13 December 2016.

The financial report has now been filed.

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

Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the Operating Report provides a review of the principal activities, but does not explain the results of these activities or whether there were any significant changes in the nature of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a financial result nor significant financial changes. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

These requirements are in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Notes to the financial statements

Future Australian Accounting Standards

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

This information has not been provided.

Leases

Leases

In Note 3C *Rental revenue* it states that an amount of \$170,177 was received in the 2016 financial year for rental income. *AASB117 Leases* paragraph 56 provides for the disclosure requirements when an operating lease for a lessor exists. This information has not been included in the General Purpose Financial Report.

Note 1.7 *Revenue* for Rental revenue from operating leases states that;

'United Voice – WA Branch did not receive any revenue from an operating lease'.

This is not correct and contradicts the accounting policy under Note 1.12 *Leases* which states *'Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease'* and the information provided under Note 3C.

Cash Flow Statement

Reconciliation issues

I note that the figure reported in the Cash Flow Statement for payments to other reporting units i.e. \$2,230,952, does not reconcile to the figure disclosed under Note 10B which is \$2,280,952. This is a difference of \$50,000.

The figure reported in Note 10A *Cash flow reconciliation* for Depreciation for the 2016 financial year is \$734,747, however the figure for Depreciation in the Statement of Comprehensive Income, Note 4F *Depreciation and amortisation* and in the reconciliation of land and buildings (Note 6A) and the reconciliation of plant and equipment (Note 6B) is \$503,772. This is a difference of \$230,975.

I also note that the figure reported as cash used for the purchase of property, plant and equipment in the Cash Flow Statement does not match the figures reported as *'additions by purchased'* in the reconciliation of land and buildings (Note 6A) and the reconciliation of plant and equipment (Note 6B).

Reporting Requirements

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

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

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



15 December, 2016

The General Manager
Fair Work Commission
80 William Street
EAST SYDNEY NSW 2011

Dear Ms O'Neill

RE: WESTERN AUSTRALIAN BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the United Voice Western Australian Branch for the year ended 30 June 2016. Enclosed is the full Financial Report including:

- The Branch Executive Statement signed by the Branch Secretary
- The Operating Report signed by the Branch Secretary
- The Independent Audit Report signed by the Auditors
- The accounts including the notes to and forming part of the accounts.

The financial reports were sent to the Branch Executive on the 16th November, 2016. The Executive resolved:

- That the operating report be approved and signed
- To endorse the Branch Executive Statement
- That the Branch Secretary be authorised to sign the Branch Executive Statement
- That the financial reports be distributed to members by publication on the United Voice website and advertising that link in November edition of Union News.

Subsequently the financial report including the General Purpose Financial Report, the Auditors statements and the operating report were supplied to members through publication on the United Voice website. Members also received a copy of Union News which contained an advertisement advising members how to view the reports on the website.

A full report was provided to the Committee of Management on the 7th December, 2016 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 13th

December, 2016.

On the basis of the above and the enclosed documentation it would seem that the United Voice WA Branch has complied with the audit and reporting requirements of the Fair Work Australia Act 2009.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jo-Anne Schofield'. The signature is written in a cursive, flowing style with a large initial 'J'.

JO-ANNE SCHOFIELD
NATIONAL SECRETARY

United Voice – WA Branch

(Federal Union)

General Purpose Financial Statements

(Full Financial Report - Federal)

As at 30 June 2016

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

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UNITED VOICE - WA BRANCH

(FEDERAL UNION)

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2016

I Carolyn Smith being the Secretary of United Voice - WA Branch certify:

- that the set of documents lodged herewith with the Fair Work Commission is a copy of the full report for United Voice - WA Branch for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit by being posted to the Branch's website and the notice about this posting included in the Branch journal that went out on 25 November 2016; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 7 December 2016 in accordance with section s.266 of the *Fair Work (Registered Organizations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Carolyn SMITH

Title of prescribed designated officer: Branch Secretary

Dated: 13 December 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of United Voice WA Branch (Federal Union)

Report on the Financial Report

We have audited the accompanying financial report of United Voice WA Branch (Federal Union), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement of Committee of Management and Statement by Secretary.

Committee of Management's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

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



Opinion

In our opinion, the financial report of United Voice WA Branch (Federal Union) gives a true and fair view, in all material respects of the union's financial position as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Report on Other Legal and Regulatory Requirements

1. In accordance with the Reporting Guidelines for the purpose of Section 253, the following declarations are made in reference to the auditor:

- a) Is a registered company auditor and a director of BDO (WA) Pty Ltd
- b) Is a member of the Institute of Chartered Accountants Australia and New Zealand, and holds a current Public Practice Certificate.

2. Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that management's use of the going concern assumption as set out in Note 1.26 in the preparation of the financial statements is appropriate. Because not all future events or conditions can be predicted, this statement is not a guarantee as to the entity's ability to continue as a going concern.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J Prue', written over a faint circular stamp or watermark.

Jarrad Prue

Director

Perth, 16 November 2016

UNITED VOICE - WA BRANCH

(FEDERAL UNION)

OPERATING REPORT

for the period ended 30 June 2016

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

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

As per Section 254(2)(a) of the Fair Work (Registered Organisations) Act 2009, the principal activities of United Voice - WA Branch, for the reporting period were:

- Implementation of the decisions of the Branch Executive and Branch Council
- Implementation of the union's agenda, including strategic industry, site organizing projects or campaigns
- Representation of member, site or industry grievances, disputes and / or industrial matter
- Provision to members of advice and support on legal and legislative matters
- Provision of training to officials and members on industrial issues and dispute resolution.
- Communication to members through magazines, newsletters or journals
- Administration of the membership system

Significant changes in financial affairs

As per Section 254(2)(b) of the Fair Work (Registered Organisations) Act 2009:

Assets - cash and cash equivalents increased and prepayments decreased. Depreciation has been applied to property, plant & equipment.

Liabilities - interest bearing liabilities decreased, due to the \$50k payout of borrowings from Victoria Branch. Deferred revenue increased due to a net increase of membership contributions received in advance from direct debit transactions (2016 - 9 days; 2015 - 0 day). Payables decreased due to an accrual of employment expenses (2016 - 1 day; 2015 - 3 days). Leave provisions decreased by 15% in 2016 from 30 June 2015.

Equity - the movement in equity is proportionate to the profit for the year ended 30 June 2016.

Right of members to resign

As per Section 254(2)(c) of the Fair Work (Registered Organisations) Act 2009 a member of the union may resign from membership by written notice or by electronic message to the Branch to which the member is attached. Resignation from membership of the union takes effect:

- On the day on which the notice is received by the union
- On the day specified in the notice
- At the end of two (2) weeks after the notice is received by the union, whichever is later.

UNITED VOICE - WA BRANCH

(FEDERAL UNION)

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

As per Section 254(2)(d) of the Fair Work (Registered Organisations) Act 2009, during 2015-2016 the union had two staff members who sat on the Board of superannuation entities:

- Government Employees Superannuation Board, Western Australia, an exempt public sector superannuation scheme:

1 July 2015 – 30 June 2016 Philippa Clarke, Research Officer

- H.E.S.T.A Australia Ltd, a company that is a trustee of a superannuation fund:

1 July 2015 – 30 December 2015 Robert Lewtas, Finance and Administration Manager

Number of members

As per Section 254(2)(f) and regulation 159(a) of the Fair Work (Registered Organisations) Act 2009 the total membership as at 30 June 16 was 19,386 (2015: 20,764).

Number of employees

As per Section 254(2)(f) and regulation 159(a) of the Fair Work (Registered Organisations) Act 2009 during the 2015/2016 financial year there was a decrease in the number of staff employed. As a consequence the overall number of employees of the Union (full time, part time & casual) as at 30th June 2016 was 83 FTE (2015: 86 FTE).

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

As per regulation 159(c) of the Fair Work (Registered Organisations) Act 2009 the Executive of the union is also the Committee of Management. As at the 30th June 2016 the members of the Committee of Management were:

Name	Position	Period that positions were held	
NUGENT, Matthew	Branch President	01/07/2015	30/06/2016
PRESCOTT-BROWN, Kim	Vice President	01/07/2015	30/06/2016
GATICA-LARA, Leo	Vice President	01/07/2015	19/11/2016
MCCRAE, Naomi	Vice President	16/09/2015	30/06/2016
SMITH, Carolyn	Branch Secretary	01/07/2015	30/06/2016
SHAY, Kelly	Assistant Secretary	01/07/2015	02/03/2016
O'DONNELL, Patrick	Assistant Secretary	01/07/2015	30/06/2016
ROSE, Malcolm	Executive Member	01/07/2015	30/06/2016
DEGOIS, Phyllis	Executive Member	01/07/2015	30/06/2016
BUCHANAN, Jennifer	Executive Member	01/07/2015	21/10/2015
JORGENSEN, Cathy	Executive Member	01/07/2015	30/06/2016
GODFREY, Brian George	Executive Member	01/07/2015	30/06/2016
LUSH, Jennifer	Executive Member	01/07/2015	30/06/2016
EDWARDS, Donna	Executive Member	01/07/2015	30/06/2016
MCDADE, Wanita	Executive Member	01/07/2015	30/06/2016

UNITED VOICE - WA BRANCH

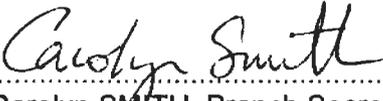
(FEDERAL UNION)

Names of Committee of Management members... (continued)

VAUGHAN, Dawn	Executive Member	01/07/2015	21/10/2015
ELLIS, Steven	Executive Member	01/07/2015	21/10/2015
SMALLWOOD, Hayden	Executive Member	01/07/2015	30/06/2016

Signature of designated officer

Name and title of designated officer:


.....
Carolyn SMITH, Branch Secretary

Dated: 16 November 2016

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

COMMITTEE OF MANAGEMENT STATEMENT

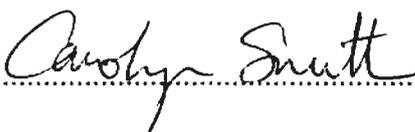
for the period ended 30 June 2016

On the 16th of November 2016 the Committee of Management of *United Voice - WA Branch* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer: 

Name and title of designated officer: Carolyn SMITH, Branch Secretary

Dated : 16 November 2016

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		11,015,179	11,286,567
Capitation (sustentation) fees	3A	0	0
Conferences		25,441	14,252
Levies		0	0
Interest	3B	46,999	45,157
Rental revenue	3C	170,177	102,096
Salary reimbursements		107,541	141,455
Sponsorships		36,955	55,182
Other revenue		24,366	22,791
Total revenue		11,426,658	11,667,500
Other Income			
Grants and/or donations	3D	0	5,000
Share of net profit from associate	6E	0	0
Net gains from sale of assets	3F	0	4,455,645
Total other income		0	4,460,645
Total income		11,426,658	16,128,145
Expenses			
Employee expenses	4A	7,638,925	8,012,754
Capitation (sustentation) fees	4B	1,181,724	1,254,100
Affiliation fees	4C	287,516	283,863
Administration expenses	4D	1,366,629	1,490,785
Grants or donations	4E	193,968	26,887
Depreciation and amortisation	4F	503,772	499,478
Finance costs	4G	314,742	363,295
Legal costs	4H	8,019	7,357
Audit fees	13	30,378	28,077
Share of net loss from associate	6E	0	0
Write-down and impairment of assets	4I	595,189	299,189
Net loss from sale of assets	4J	48,104	0
Other expenses	4K	0	0
Total expenses		12,168,966	12,265,785
Profit or loss for the year		(742,308)	3,862,360
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		0	0
Gain on revaluation of land & buildings		0	0
Total comprehensive income for the year		(742,308)	3,862,360

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

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,442,102	821,739
Trade and other receivables	5B	317,041	718,032
Inventories		2,430	3,093
Non-current assets held for sale	5C	110,766	109,649
Total current assets		1,872,339	1,652,513
Non-Current Assets			
Land and buildings	6A	8,527,090	8,800,616
Plant and equipment	6B	694,696	810,045
Investment Property	6C	3,754,756	4,247,557
Intangibles	6D	0	0
Investments in associates	6E	0	0
Other investments	6F	0	0
Other non-current receivables	6G	199,000	229,000
Total non-current assets		13,175,542	14,087,218
Total assets		15,047,881	15,739,731
LIABILITIES			
Current liabilities			
Trade payables	7A	0	0
Loans	7B	100,000	0
Other payables	7C	926,670	636,892
Employee provisions	8A	885,239	1,064,430
Total current liabilities		1,911,909	5,999,545
Non-current liabilities			
Employee provisions	8A	222,306	232,435
Loans	7B	4,148,223	4,298,223
Other financial liabilities		0	0
Total non-current liabilities		4,370,529	232,435
Total liabilities		6,282,438	6,231,980
Net assets		8,765,443	9,507,751
EQUITY			
Total equity	9A	8,765,443	9,507,751

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

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2016

	Notes	Reserve Funds \$	Retained earnings \$	Total equity \$
Opening balance as at 1 July 2014		5,645,391	0	5,645,391
Profit or loss for the year		3,862,360	(3,862,360)	0
Other comprehensive income for the year		0	0	0
Net transfers to / (from) funds	9A	0	3,862,360	3,862,360
Closing balance as at 30 June 2015		9,507,751	0	9,507,751
Profit or loss for the year		(742,308)	742,308	0
Other comprehensive income for the year		0	0	0
Net transfers to / (from) funds	9A	0	(742,308)	(742,308)
Closing balance as at 30 June 2016		8,765,443	0	8,765,443

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

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

CASH FLOW STATEMENT
for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members		12,116,696	12,415,223
Receipts from other reporting units	10B	783,565	725,856
Interest received		46,999	45,157
Other		400,929	353,677
Cash used			
Payments to suppliers and employees		(10,147,014)	(11,068,664)
Interest paid		(314,743)	(363,295)
Payment to other reporting units	10B	(2,230,952)	(1,997,669)
Net cash from (used by) operating activities	10A	655,480	110,285
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		151,622	5,775,175
Cash used			
Purchase of property, plant and equipment		(191,739)	(370,849)
Net cash from (used by) investing activities		(40,117)	5,404,326
FINANCING ACTIVITIES			
Cash received			
Proceeds from vendor financing		55,000	30,000
Proceeds from borrowings			0
Cash used			
Repayment of borrowings		(50,000)	(5,578,669)
Net cash from (used by) financing activities		5,000	(5,548,669)
Net increase (decrease) in cash held		620,363	(48,310)
Cash & cash equivalents at the beginning of the reporting period		821,739	870,049
Cash & cash equivalents at the end of the reporting period	5A	1,442,102	821,739

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

RECOVERY OF WAGES ACTIVITY

United Voice – WA Branch did not derive any revenue from undertaking recovery of wages activity during the reporting period.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

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**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, *United Voice – WA Branch* is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with historical cost. No allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

Future Australian Accounting Standards Requirements

There is no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on *United Voice – WA Branch*.

1.4 New, revised or amending Standards and Interpretations

United Voice – WA Branch has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and do not have an impact on the entity.

Any significant impact on the accounting policies of the entity from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy.

1.5 Business combinations

United Voice – WA Branch did not engage in any business acquisition combination activity.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

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

United Voice – WA Branch has not engaged in any business activity itemised in a) to d) of RG12 s253 of the RO Act.

1.7 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. *United Voice – WA Branch* did not sell goods except for stock sale of tee shirts and shirts, etc. such items predominantly to staff.

Donation income is recognised when it is received. *United Voice – WA Branch* did not receive any donation.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. *United Voice – WA Branch* did not receive any revenue from an operating lease.

1.8 Government grants

United Voice – WA Branch did not receive any government grant.

1.9 Gains

Sale of assets

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

1.10 Capitation (sustentation) fees and levies

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

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

1.11 Employee benefits

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 not calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

United Voice – WA Branch did not make any provision for separation and redundancy benefit payments for its employees.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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.

Refer to note 3C for rental revenue earned during the reporting period.

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1.13 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred unless they are attributable to a qualifying asset. These costs are then capitalised.

1.14 Cash

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

1.15 Financial (instruments) assets and liabilities

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.16 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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Note 1.16 Summary of significant accounting policies (continued)

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

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

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

Held-to-maturity investments

United Voice – WA Branch did not have any financial investments that were held-to-maturity.

Available-for-sale

United Voice – WA Branch did not have any financial investments that were available for sale.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

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

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

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Note 1.16 Summary of significant accounting policies (continued)

Impairment of financial assets

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

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1.17 Financial liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

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

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1.18 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.19 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations - land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	Depreciation rate
Buildings	2 to 5%
Plant and equipment	15 to 20%
Motor Vehicles	10%

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Note 1.19 Summary of significant accounting policies (continued)

Derecognition

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.

1.20 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 continue to be measured at cost and depreciated over their useful lives. The rate applied is 2.875%.

An 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 derecognition 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.

1.21 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

United Voice - WA Branch did not recognise an intangible asset.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

United Voice - WA Branch did not derecognise an intangible asset.

1.22 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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Note 1.22 Summary of significant accounting policies (continued)

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if *United Voice - WA Branch* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at cost.

1.24 Taxation

United Voice - WA Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.25 Fair value measurement

Fair value measures financial instruments such as, financial asset at fair value through the profit and loss and available for sale financial assets at fair value at each balance date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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Note 1.25 Summary of significant accounting policies (continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

United Voice - WA Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The net fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

1.26 Going concern

United Voice – WA Branch is not reliant on the agreed financial support of any entity to continue on a going concern basis.

United Voice – WA Branch (Federal Union) has not provided *United Voice Legal – WA (State Union)* with any additional financial support in the reporting period. Some administrative operations of the State Union are being provided by the Federal Union and these costs are being invoiced accordingly on a monthly basis.

1.27 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Estimation of useful lives of assets

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Note 1.28 Summary of significant accounting policies (continued)

United Voice – WA Branch's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of use or some other event. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off assets that have been abandoned or sold.

- Long service leave provision

As presented in note 8A, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

- Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position and investment property.

Note 2 Events after the reporting period

There is no known subsequent event that would materially affect the reporting period.

Note 3 Income

Note 3A: Capitation (sustentation) fees

United Voice WA Branch does not charge any capitation (sustentation) fees and no financial support was required from related branches.

	2016	2015
	\$	\$
Note 3B: Interest		
Deposits	35,023	30,177
Vendor finance	11,976	14,980
Total interest	46,999	45,157

Note 3C: Rental revenue

Properties	170,177	102,096
Other	0	0
Total rental revenue	170,177	102,096

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	2016	2015
	\$	\$
Note 3D: Grants or donations		
Grants	0	0
Donations	0	5,000
Total grants or donations	0	5,000

Note 3F: Net gains from sale of assets

Land and buildings	0	4,528,814
Motor Vehicle	0	(73,169)
Intangibles	0	0
Total net gain from sale of assets	0	4,455,645

Motor vehicles that were sold in the current year resulted in net loss and classified as such below in note 4J.

Note 4 Expenses

Note 4A: Employee expenses

Employees who are office holders:

Wages and salaries	266,104	281,692
Leave and other entitlements	75,156	62,466
Separation and redundancies	0	0
Super and salary continuance insurance	73,972	41,544
Other employee expenses	19,088	40,340
Subtotal employee expenses holders of office	434,320	426,042

Employees other than office holders:

Wages and salaries	4,367,335	5,020,304
Leave and other entitlements	1,156,354	1,082,090
Separation and redundancies	0	46,590
Super, payroll tax and insurances	1,343,842	643,744
Indirect employee expenses	337,074	793,984
Subtotal employee expenses employees other than office holders	7,204,605	7,586,712
Total employee expenses	7,638,925	8,012,754

Indirect employee expenses included \$404k payroll tax in 2015. In 2016 \$460k payroll tax was reclassified into *Super, payroll tax and insurances* line.

Note 4B: Capitation (sustentation) fees

United Voice – National Council	1,181,724	1,254,100
Total capitation(sustentation) fees	1,181,724	1,254,100

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	2016	2015
	\$	\$
Note 4C: Affiliation fees		
Australian Labor Party	151,770	152,475
Unions WA	135,746	131,388
Total affiliation fees	287,516	283,863
 Note 4D: Administration expenses		
Advertising, publications and subscriptions	23,842	75,917
Consideration to employers for payroll deductions	7,835	9,157
Campaigns (other than compulsory levies)	285,334	136,016
Compulsory levies		
Education Levy	0	0
Health Levy	0	0
Fees/allowances - meeting and conferences	43,484	30,451
Conference and meeting expenses	128,344	181,541
Contractors/consultants/professional fees	11,964	0
Property expenses	359,698	398,135
Office expenses	428,048	600,737
Information communications technology	68,995	46,274
Member services	9,085	12,557
Other	0	0
Subtotal administration expense	1,366,629	1,490,785
Operating lease rentals:		
Minimum lease payments	0	0
Total administration expenses	1,366,629	1,490,785
 Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Donations:		
Total paid that exceeded \$1,000	193,818	24,573
Total paid that were \$1,000 or less	150	2,314
Total grants or donations	193,968	26,887

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	2016	2015
	\$	\$
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	281,606	281,455
Chattels, plant and equipment	93,579	86,425
Property held for sale	0	128,587
Property held for lease	128,587	3,011
Total depreciation	503,772	499,478
Amortisation		
Intangibles		0
Total amortisation	0	0
Total depreciation and amortisation	503,772	499,478

Note 4G: Finance costs

Finance leases	0	0
Overdrafts/loans (including bank charges)	314,742	363,295
Total finance costs	314,742	363,295

Note 4H: Legal costs

Litigation	0	0
Arbitration	0	2,040
Other legal matters	8,019	5,317
Total legal costs	8,019	7,357

Note 4I: Write-down and impairment of assets

During the reporting period, *United Voice – WA Branch* has taken up an impairment and written off \$230,970 of the vendor finance receivable as bad debt. In 2015 \$299,189 of WA Branch of United Voice (State Union) trade debtors was estimated as impaired.

An initial independent valuation of the properties for lease resulted in the recognition of \$364,214 impairment of the investment in 2015-16.

Note 4J: Net losses from sale of assets

In 2015-16, the net loss from sale of motor vehicles of \$48,104 has been itemised under the expense line instead of as a negative value revenue line. Net loss from the sale of motor vehicles in 2014-15 of \$73,168 was offset against the revenue line - net gains from sale of assets.

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations	0	0
Total other expenses	0	0

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	2016	2015
	\$	\$
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	1,439,102	818,739
Cash on hand	3,000	3,000
Short term deposits	0	0
Other	0	0
Total cash and cash equivalents	1,442,102	821,739
Note 5B: Trade and other receivables		
Receivables from other reporting units		
WA Branch of United Voice (State Union)	410,951	433,986
United Voice National Council	5,483	1,581
Total receivables from other reporting units	416,434	435,567
Less provision for doubtful debts		
WA Branch of United Voice (State Union)	(298,338)	(298,338)
Total provision for doubtful debts	(298,338)	(298,338)
Receivable from other reporting units	118,096	137,229
Other receivables:		
GST receivable from the Australian Taxation Office	0	0
Trade receivables	6,779	8,322
Accrued income receivable	2,160	61,845
Provision for doubtful debts	0	0
Property rent receivable	1,567	29,783
Prepaid and other expenses	158,439	194,878
Vendor finance receivable*	30,000	285,975
Total other receivables	198,945	580,803
Total trade and other receivables	317,041	718,032

* Relates to an amount which is secured against guarantees from the purchaser of property sold by the Union.

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	2016	2015
	\$	\$
Note 5C: Non-current assets held for sale		
Assets Held for Sale		
Lot 100 Dhu St, Guilderton		
Land at cost	37,129	37,129
Buildings at cost	131,542	131,542
Accumulated depreciation	(60,239)	(60,239)
Subtotal assets held for sale Guilderton	108,432	108,432
Chattels Lot 100 Dhu St, Guilderton		
Cost	19,715	18,598
Accumulated depreciation	(17,381)	(17,381)
Subtotal chattels held for sale Guilderton	2,334	1,217
Total assets held for sale	110,766	109,649

Note 6 Non-current assets

Note 6A: Land and buildings

54 Cheriton St Perth:		
Land at cost	2,645,567	2,645,567
Building at cost	4,974,174	4,966,095
Fit out at cost	1,566,375	1,566,375
Accumulated Depreciation	(702,287)	(421,413)
Subtotal land and building Perth	8,483,829	8,756,624
U2 101 Spencer St Bunbury:		
Land at cost	20,000	20,000
Building at cost	36,543	36,543
Accumulated Depreciation	(13,282)	(12,551)
Subtotal land and buildings Bunbury	43,261	43,992
Total land and buildings	8,527,090	8,800,616

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	2016 \$	2015 \$
Reconciliation of the opening and closing balances of land and buildings		
As at 1 July		
Gross book value - at cost	9,234,580	9,226,800
Accumulated depreciation and impairment	(433,964)	(152,509)
Net book value 1 July	8,800,616	9,074,291
Additions:		
By purchase	8,079	7,780
From acquisition of entities (including restructuring)	0	0
Revaluations	0	0
Impairments	0	0
Depreciation expense	(281,605)	(281,455)
Other movement – <i>transfers out of PPE</i>	0	0
Disposals:		
From disposal of entities (including restructuring)	0	0
Other	0	0
Net book value 30 June	8,527,090	8,800,616
Net book value as of 30 June represented by:		
Gross book value	9,242,659	9,234,580
Accumulated depreciation and impairment	(715,569)	(433,964)
Net book value 30 June	8,527,090	8,800,616

Note 6B: Plant and equipment

Plant and equipment:

Chattels U2 101 Spencer St Bunbury:

Cost	32,298	32,298
Accumulated Depreciation	(29,813)	(28,513)
Subtotal chattels Bunbury	2,485	3,785

Furniture and fittings Cheriton St Perth:

Cost	1,515	280
Accumulated Depreciation	(420)	(40)
Subtotal furniture and fittings Perth	1,095	240

Office Equipment Cheriton St Perth

Cost	146,927	104,024
Accumulated Depreciation	(56,310)	(29,682)
Subtotal office equipment Perth	90,617	74,342

Library

Cost	0	101,445
Accumulated Depreciation	0	(101,445)
Subtotal library	0	0

Motor vehicles

Cost	745,709	869,841
Accumulated Depreciation	(145,210)	(138,163)
Subtotal motor vehicles	600,499	731,678

Total plant and equipment

	694,696	810,045
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**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016 \$	2015 \$
<i>Reconciliation of the opening and closing balances of plant and equipment</i>		
As at 1 July		
Gross book value	1,107,889	2,057,146
Accumulated depreciation and impairment	(297,844)	(1,191,248)
Net book value 1 July	810,045	865,898
Additions:		
By purchase	182,544	370,849
From acquisition of entities (including restructuring)	0	0
Impairments	0	0
Depreciation expense	(93,579)	(86,425)
Other movement	0	0
Disposals:		
From disposal of entities (including restructuring)	0	0
Sale of Plant and Equipment	(204,314)	(340,277)
Other	0	0
Net book value 30 June	694,696	810,045
Net book value as of 30 June represented by:		
Gross book value	926,450	1,107,889
Accumulated depreciation and impairment	(231,754)	(297,844)
Net book value 30 June	694,696	810,045

Note 6C: Investment property

Property available for lease 54 Cheriton St Perth

Gross book value allocation	4,472,584	4,472,584
Accumulated depreciation	(353,614)	(225,027)
Impairment	(364,214)	0
Net book value 30 June	3,754,756	4,247,557

Investment property, comprising freehold buildings, is held for long-term rental yields and is not occupied by the Union is carried at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the property.

In compliance with AASB 140, the downward trend in all property markets indicated impairment. An independent valuation resulted in the recognition of an estimated decrease in the investment property's carrying amount by \$364,214 for the reporting period.

Rental income earned and received from the investment property during the year was \$170,176 (2015: \$102,096).

Note 6D: Intangibles

United Voice – WA Branch has not taken up any intangible asset during the reporting period.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

2016 2015
\$ \$

Note 6E: Investments in associates

United Voice – WA Branch has not acquired any investment in an associated entity.

Note 6F: Other investments

United Voice – WA Branch did not acquire any other investment in the reporting period.

Note 6G: Other non-current receivables

Prepayments	0	0
Vendor Finance (The Perth Trade Hall)	199,000	229,000
Total other non-current receivables	199,000	229,000

Note 7 Liabilities

Note 7A: Trade payables

Trade creditors	0	0
Operating lease rentals	0	0
Subtotal trade creditors	0	0
Payables to other reporting unit	0	0
Total trade payables	0	0

Settlement is usually made within 30 days.

Note 7B: Loans

Current liability - loans

Motor vehicle unsecured loan – United Voice Victoria Branch	100,000	0
Subtotal current liability - loans	100,000	0

Non-current liabilities - loans

Cheriton St building loan	3,783,790	3,783,790
Motor vehicle unsecured loan – United Voice Victoria Branch	364,433	514,433
Subtotal non-current liabilities - loans	4,148,223	4,298,223

Total loans	4,248,223	4,298,223
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WA Branch has a loan from the Victoria Branch of United Voice for a maximum of \$715k for the purpose of purchasing staff motor vehicles. The loan was for a period of 2 years and commenced on the 6th of July 2007, repayable in two years from the drawdown date. The current loan term variation is reduction of the outstanding principal by \$100k per annum payable in monthly instalments of \$8,333 per month commencing January 2016. There is no change of interest terms - being calculated at the agreed rate monthly in arrears. A rate of 7.5% is applicable on loans redrawn prior to November 2007; 8% from 1 November 2007 and 6% on loans redrawn from 10 June 2012.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016	2015
	\$	\$

The Branch has another loan from Members Equity for the purchase of land at Lots 42 & 46 Cheriton Street, Perth. This loan was consolidated with a loan for the construction of the building at Cheriton Street. The term of the loan varied to a period of 20 years commencing 14 March 2014. Repayments are made monthly and are interest only for two years – effective 1 July 2014 to 1 July 2016, extended to 31 May 2018. The interest rate applicable as at 30 June 2016 was 4.85% (2015: 4.87%).

Note 7C: Other payables

Wages and salaries accrual	0	0
Superannuation	28,470	8,457
Consideration to employers for payroll deductions	0	0
Legal costs	0	0
GST payable	237,773	193,022
Expense accruals, etc.	325,988	435,413
Deferred revenue	334,439	0
Total other payables	926,670	636,892

Total other payables are expected to be settled in:

No more than 12 months	926,670	636,892
More than 12 months	0	0
Total other payables	926,670	636,892

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016 \$	2015 \$
Note 8 Provisions		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	27,969	47,916
Long service leave	61,864	81,107
Separations and redundancies	0	0
Other	0	0
<i>Subtotal employee provisions—office holders</i>	89,833	129,023
Employees other than office holders:		
Annual leave	585,562	732,428
Long service leave	432,150	435,414
Separations and redundancies	0	0
Other	0	0
<i>Subtotal employee provisions—employees other than office holders</i>	1,017,712	1,167,842
Total employee provisions	1,107,545	1,296,865
 Employee provisions is classified into:		
Current liability:		
Annual leave	613,532	780,343
Long service leave	271,707	284,087
<i>Subtotal current liability - employee provisions</i>	885,239	1,064,430
Non-current liability:		
Annual leave	0	0
Long service leave	222,306	232,435
Non-current liability - employee provisions	222,306	232,435
Total employee provisions	1,107,545	1,296,865

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016	2015
	\$	\$
Note 9 Equity		
Note 9A: Reserve funds		
<i>General fund</i>		
Balance as at start of year	9,349,342	5,627,955
Transfer to general fund	(742,308)	3,862,360
Transferred from general fund	138,534	(140,972)
Balance as at end of year	8,745,568	9,349,342
<i>Building fund</i>		
Balance as at start of year	0	0
Transfer to building fund	175,660	173,203
Transfer from building fund	(175,660)	(173,203)
Balance as at end of year	0	0
<i>Election fund</i>		
Balance as at start of year	158,409	17,436
Transfer to election fund	163,770	159,000
Transfer from election fund	(302,304)	(18,027)
Balance as at end of year	19,875	158,409
Total equity as at start of year	9,507,751	5,645,391
Net transfers to / (from) funds	(742,308)	3,862,360
Total equity as at end of year	8,765,443	9,507,751

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016	2015
	\$	\$
Note 10 Cash flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents per		
Cash Flow Statement	1,442,102	821,739
Statement of Financial Position	1,442,102	821,739
Difference	0	0

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

Profit/(deficit) for the year	(742,308)	3,862,360
Adjustments for non-cash items		
Depreciation/amortisation	734,747	499,478
Net (gain) / loss on disposal of assets	48,104	(4,455,645)
Fair value movement in investment property	364,214	0
Changes in assets/liabilities		
(Increase)/decrease in vendor finance	25,000	30,000
(Increase)/decrease in prepayments	36,440	(108,212)
(Increase)/decrease in other receivables	108,576	267,068
Increase/(decrease) in supplier payables	0	(189,715)
Increase/(decrease) in deferred revenue	334,439	0
Increase/(decrease) in other payables	(64,411)	44,288
Increase/(decrease) in employee provisions	(189,321)	160,663
Net cash from (used by) operating activities	655,480	110,285

Note 10B: Cash flow information – associated and other reporting entities

Cash inflows		
WA Branch of United Voice (State Union)	661,350	615,253
United Voice National Office	122,161	109,591
United Voice – Queensland Branch	54	1,012
Total cash inflows	783,565	725,856
Cash outflows		
WA Branch of United Voice (State Union)	628,315	693,912
United Voice National Office	1,544,557	1,259,070
United Voice Victoria Branch	86,080	40,684
United Voice – Queensland Branch	22,000	4,003
Total cash outflows	2,280,952	1,997,669

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Credit Stand-By Arrangements

United Voice – WA Branch has a bank overdraft facility of \$20,000 (2016: \$20,000). At 30 June 2016 and 30 June 2016 this facility was not in use. Overdraft facility is currently with the Commonwealth Bank.

The branch also has a contingent liability facility of \$300,000 (2015: \$200,000). As at 30 June 2015 and 30 June 2016, \$100,000 of this facility was unused. There is no interest charge on the contingent liability facility. The purpose of the facility is to guarantee the funds for direct debit in relation to Membership Fees.

The branch has no capital commitments.

At the date of signing this report there are no known contingent liabilities that would have a material effect on the presentation of the annual financial statements

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

The list of the Committee of Management members of *United Voice – WA Branch* is detailed in the last section of the Operating Report. Payments were made only for items in Note 13B below. The Branch's Related Party Register did not contain any other transaction with a related current or former related party.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

The holders of office of *United Voice – WA Branch*, who are paid salaries in Note 4A, are also its key management personnel.

Key management personnel remuneration for the period 2015 – 16

Key management salary benefits	Total	Branch Secretary	Branch Assistant Secretary	Branch Assistant Secretary
Short-term employee benefits:				
Salaries:				
Salaries	266,105	95,778	76,777	93,550
Leave and other entitlements	75,156	21,220	33,482	20,454
Separation and redundancies	0	0	0	0
Super, payroll tax & insurances	73,970	26,308	22,081	25,581
Indirect employee expenses	19,089	6,544	6,168	6,377
Subtotal salaries personnel	434,320	149,850	138,508	145,962
Other short-term benefits:				
Accrued annual leave	27,969	19,468	0	8,501
Other Accrued long-service leave	23,454	10,026	0	13,428
Subtotal other short-term benefits	51,423	29,494	0	21,929
Total key management short-term salary benefits	485,743	179,344	138,508	167,891

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Other long-term benefits:				
Accrued annual leave	0	0	0	0
Accrued long-service leave	26,675	17,410	0	9,265
Post-employment benefits:				
Superannuation	0	0	0	0
Total key management long-term salary benefits	26,675	17,410	0	9,265
Total key management salary benefits	512,418	196,754	138,508	177,156

Key management personnel remuneration for the period 2014 – 2015

Key management salary benefits	Total	Branch Secretary (a)	Branch Assistant Secretary (b)	Branch Assistant Secretary (d)
Short-term employee benefits:				
Salaries:				
Salaries	281,691	94,261	99,832	87,598
Leave and other entitlements	62,465	23,333	22,573	16,559
Separation and redundancies	0	0	0	0
Superannuation and SCI	41,544	14,195	14,776	12,573
Other employee expenses	40,341	13,784	14,348	12,209
Subtotal salaries personnel	426,041	145,573	151,529	128,939
Accrued expenses:				
Accrued annual leave	38,519	13,585	12,900	12,034
Other	0	0	0	0
Subtotal other short-term benefits	38,519	13,585	12,900	12,034
Subtotal short-term employee benefits	464,560	159,158	164,429	140,973
Other long-term benefits:				
Accrued long-service leave	61,005	34,624	7,823	18,558
Post-employment benefits:				
Superannuation	0	0	0	0
Total key management salary benefits	525,565	193,782	172,252	159,531

The Branch does not offer employees any defined benefit scheme post-termination of employment.

Note 12C: Transactions with key management personnel and their close family members

United Voice – WA Branch did not have any other transaction with its key management personnel and their close family members other than those relating to their membership in 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 - WA BRANCH
(FEDERAL UNION)**

	2016	2015
	\$	\$
Note 13 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	30,378	28,077
Other services	0	0
Total remuneration of auditors	30,378	28,077

The auditors of *United Voice – WA Branch* did not provide any other service to the branch than those related to audit services.

Note 14 Financial instruments

United Voice – WA Branch's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Union's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Union. The Union uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and aging analysis for credit risk.

The branch's main interest rate risk arises from borrowings, which are at fixed and variable rates and denominated in Australian dollars. As at the year end, the Union had the following fixed and variable rate financial instruments outstanding:

Note 14A: Categories of financial instruments

Financial assets

Cash and receivables:

Cash – floating interest rate	1,442,102	821,739
Receivables – interest bearing	229,000	514,975
Receivables – non-interest bearing	8,347	38,105
Carrying amount of financial assets	1,679,449	1,374,819

Financial liabilities

Other financial liabilities:

Payables – non-interest bearing	28,470	8,457
Business loan – interest bearing	3,783,790	3,783,790
Motor vehicle loan – interest bearing	464,433	514,433
Carrying amount of financial liabilities	4,276,693	4,306,680

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

	2016	2015
	\$	\$
Note 14B: Net income and expense from financial assets		
Cash and receivables		
Interest revenue	46,999	45,157
Exchange gains/(loss)	0	0
Impairment	0	0
Gain/(loss) on disposal	0	0
Net gain/(loss) from cash and receivables	46,999	45,157
Available for sale		0
Fair value through profit and loss	0	0
Net gain/(loss) from financial assets	46,999	45,157

Note 14C: Net income and expense from financial liabilities

Other financial liabilities:		
Change in fair value	0	0
Interest expense	314,743	363,295
Total designated as fair value through profit and loss	0	0
Net gain/(loss) other financial liabilities	314,743	363,295
Net gain/(loss) from financial liabilities	314,743	363,295

Note 14D: Credit risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Cash	1,442,102	821,739
Receivables	237,347	548,536
Total	1,679,449	1,370,276

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The credit quality of customers is assessed based on past experience, trading history, and other factors. Individual credit limits are set.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above. The receivables balance includes two private organisations which do not have a formal credit rating.

As at 30 June 2016 current trade receivables of the organisation with a nominal value of \$240,177 (2015: \$324,843; and \$211,110 of which was deemed impaired) were past due.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Note 14E: Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash reserves. *United Voice – WA Branch* manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only deposited in savings accounts with high interest rate.

The table below analyses the Branch's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contract maturity date.

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	>3 years \$	Carrying Amount \$
Payables	0	28,470	0	0	28,470
Business Loan	0	184,271	3,968,061	0	4,152,332
Motor Vehicle Loan	0	108,000	108,000	280,298	496,298
Total maturities for financial liabilities	0	320,741	4,076,061	280,298	4,677,100

Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	>3 years \$	Carrying Amount \$
Payables	0	8,456	0	0	8,456
Business Loan	0	3,968,061	0	0	3,968,061
Motor Vehicle Loan	0	549,298	0	0	549,298
Total maturities for financial liabilities	0	4,525,815	0	0	4,525,815

Note 14F: Market risk

The following table summarises the sensitivity of the Union's financial assets and financial liabilities to interest rate risk.

	Weighted average interest rates	Floating interest rate	Fixed interest	Non-interest bearing	Total
As at 30 June 2016					
(i) Financial assets					
Cash	1.75%	1,442,102	0	0	1,442,102
Receivables	7.44%	229,000	0	8,347	237,347
Total financial assets		1,671,102	0	8,347	1,679,449
(ii) Financial liabilities					
Payables		0	0	28,470	28,470
Business loans	4.87%	3,783,790	0	0	3,783,790
Motor Vehicle Loan	8.00%	0	239,111	0	239,111
Motor Vehicle Loan	6.00%	0	225,322	0	225,322
Total financial liabilities		3,783,790	464,433	28,470	4,276,693

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Note 14F: Market risk (continued)

	Weighted average interest rates	Floating interest rate	Fixed interest	Non- interest bearing	Total
As at 30 June 2015					
(i) Financial assets					
Cash	2.50%	821,739	0	0	821,739
Receivables	7.03%	259,000	255,975	38,105	553,080
Total financial assets		<u>1,080,739</u>	<u>255,975</u>	<u>38,105</u>	<u>1,374,819</u>
(ii) Financial liabilities					
Payables		0	0	8,457	8,457
Business loan	4.87%	3,783,790	0	0	3,783,790
Motor Vehicle Loan	8.00%	0	289,111	0	289,111
Motor Vehicle Loan	6.00%	0	225,322		225,322
Total financial liabilities		<u>3,783,790</u>	<u>514,433</u>	<u>8,457</u>	<u>4,306,680</u>

Sensitivity analysis of the risk that the entity is exposed to for 2016

30 June 2016	Carrying Amount	Interest Rate Risk	
		+100/-100 bps	
		Profit	(Profit)
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	1,442,102	14,421	(14,421)
Financial Liabilities			
Business loans	4,298,223	(42,982)	42,982
Total increase/ (decrease)		(28,561)	28,561

30 June 2015	Carrying Amount	Interest Rate Risk	
		+100/-100 bps	
		Profit	(Profit)
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	821,739	8,217	(8,217)
Financial Liabilities			
Borrowings	4,298,223	(42,982)	42,982
Total increase/ (decrease)		(34,765)	34,765

Note 14G: Asset pledged/or held as collateral

As at the end of 30 June 2016, the pledge against the property at 61 Thomas St was replaced with the property at Cheriton St as collateral against the building loan for Cheriton St.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

Note 15 Fair value measurements

The net fair value of assets and liabilities approximate their carrying values except for investment property. The fair value is disclosed in Note 6C. No financial asset and financial liability are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the union intends to hold these assets to maturity. The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes and form.

Note 15A: Financial assets and liabilities

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.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values for borrowings:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Note 15B: Fair value hierarchy

Not applicable to *United Voice – WA Branch*.

Note 16: Business combinations -subsidiaries acquired

United Voice – WA Branch does not have acquired subsidiaries.

Note 17: Segment reporting

United Voice – WA Branch operates predominantly in one business and geographical segment in its capacity to provide services to its members throughout Western Australia.

Note 18 Administration of financial affairs by a third party

United Voice – WA Branch's financial affairs has not been administered by another entity.

**UNITED VOICE - WA BRANCH
(FEDERAL UNION)**

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

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

Information to be provided to members or General Manager:

- (1) A member of *United Voice – WA Branch* or the General Manager, may apply to the Branch 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 Branch.
- (3) with an application made under subsection (1).

Note 20 Geographical locations

United Voice – WA Branch operates from Level 2 54 Cheriton St. Perth (previously at 61 Thomas St., Subiaco until October 2013) in the state of Western Australia.



7 December 2016

Ms Carolyn Smith
Branch Secretary
United Voice - Western Australian Branch

Sent via email: carolyn.smith@unitedvoice.org.au

Dear Ms Smith,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the United Voice - Western Australian Branch (the reporting unit) ended on the 30 June 2016.

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

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

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

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

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

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

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Ms Carolyn Smith
WA Branch Secretary
United Voice - Western Australian Branch
By email: carolyn.smith@unitedvoice.org.au

Dear Ms Smith,

**Re: Lodgement of Financial Report - [FR2016/78]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Voice - Western Australian Branch (the reporting unit) ended on 30 June 2016.

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

Timelines

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

Fact sheets, guidance notes and model statements

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

Loans, grants and donations: our focus this year

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

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

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

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

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

Civil penalties may apply

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

Contact

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

Yours sincerely,

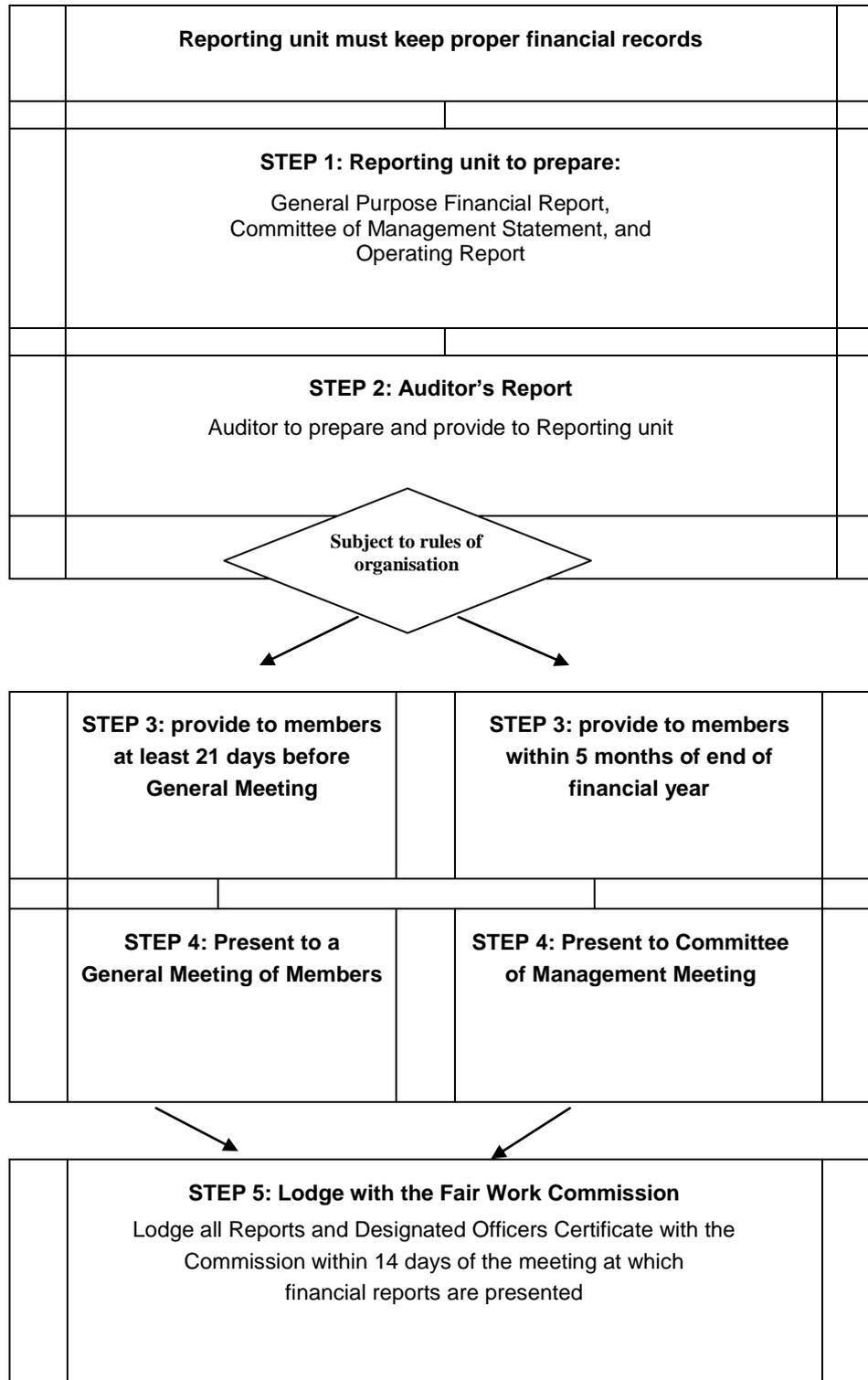


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

the amount,

the purpose,

the security (if it is a loan),

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

the arrangements for repaying the loan.*

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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