



FAIR WORK
AUSTRALIA

5 March 2010

Mr James Hinton
Treasurer
Victorian Farmers Federation Industrial Association
24-28 Collins Street
MELBOURNE VIC 3000

By email: vff@vff.org.au

Dear Mr Hinton

Re: Fair Work (Registered Organisations) Act 2009 – (RO Act)
Financial report for year ended 31 December 2008 – FR2008/593
Financial report for year ended 31 December 2007 – FR2007/638

I acknowledge receipt of the letter from Mr Chapman lodged with Fair Work Australia dated 10 February 2010 in response to my letter of 25 September 2009. In future, the contents of such information must be signed off by an officer of the Victorian Farmers Federation Industrial Association (VFFIA). I note that the letter of 10 February was copied to you but signed by Mr Chapman, the Executive Manager of the Victorian Farmers Federation and not the VFFIA (the reporting unit).

The financial report for years ended 31 December 2008 (FR2008/593) and 2007 (FR2007/638) have been filed.

Although the financial reports have been filed the following comments must be implemented in the preparation of future financial reports.

1. Expense items from the Reporting Guidelines to be audited

I note in the letter of 10 February 2010, Mr Chapman states that the auditor Coffey Hunt is of the view that the additional information sought is not normally "signed off" by the auditor. The information sought were balances of certain expense items specifically prescribed by the *Fair Work (Registered Organisations) Act 2009*, previously Schedule 1 of the *Workplace Relations Act 1996*, and the Reporting Guidelines. Therefore the provision of such information is a legislative requirement and must be provided as part of the audited accounts of registered organisations registered under the RO Act. VFFIA is a registered organisation under the RO Act.

In future financial reports the VFFIA must include the meeting expenses of its members (the information contained in point 1(j) of the letter of 10 February 2010) as part of the audited accounts.

A copy of this letter and the reporting guidelines has been sent to your auditor.

2. Related party transaction

Paragraph 17 of AASB 124 Related Party Disclosures, requires an entity to disclose the nature of a related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

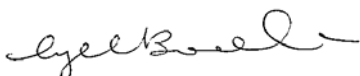
In relation to the "Service Fee" in note 4 and the "Loan to related party" in note 6 of the general purpose financial reports for 2007 and 2008 there should be related party disclosure information about these transactions to assist in the understanding of the financial statements. Please ensure this is done in future.

3. Operating report – right to resign

Section 254(2)(c) of the RO Act requires details of the right to members to resign from the reporting unit, not from the Executive Committee. Therefore, the relevant VFFIA rule is rule 13, and rule 13.1 should be reproduced in the operating report.

If you have any questions regarding this letter I may be contacted on (03) 8661 7989 (Wed – Fri) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely



Cynthia Lo-Booth
Tribunal Services and Organisations

Enc.

Cc: Ms Patricia Murdock
Executive Manager HR & IR
By email: vff@vff.org.au

Mr Denholme Chapman
Executive Manager – Financial Services
By email: vff@vff.org.au

MP Gunn
Partner
Coffey Hunt
Chartered Accountants
PO Box 677
WARNAMBOOL VIC 3280

Explanatory Note

The *financial reporting guidelines* on the following pages were made by the then Industrial Registrar of the Australian Industrial Relations Commission, prior to the commencement of operation of the *Fair Work (Registered Organisations) Act 2009* on 1 July 2009.

Arising from provisions of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*, these guidelines continue in force as if references to things listed in column 1 in the table below, were references to the things listed opposite them in column 2, unless the context otherwise requires.

the Commission	Fair Work Australia or FWA
RAO Schedule	Fair Work (Registered Organisations) Act 2009
Schedule 1B of the Workplace Relations Act 1996	Fair Work (Registered Organisations) Act 2009
Industrial Registrar	General Manager of FWA
a Registrar	the General Manager of FWA
RAO regulations	Fair Work (Registered Organisations) Regulations 2009
Workplace Relations (Registration and Accountability of Organisations) Regulations 2003	Fair Work (Registered Organisations) Regulations 2009

Workplace Relations Act 1996

Schedule 1B

Australian Industrial Registry
Principal Registry
Nauru House
80 Collins Street
Melbourne Vic 3000

(Postal Address:
GPO Box 1994S
Melbourne Vic 3001)

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule

Application

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).
2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).
3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

Operative Date

4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 November 2004.

Purpose of Reporting Guidelines

5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.
6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.
7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

General Requirements for Presentation and Disclosures in GPFR

8. The reporting unit must disclose in the notes to the financial statements:
- (a) where the reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or the balance sheet:
 - (i) the name of the reporting unit on which there is an economic dependency; and
 - (ii) the amount of revenue or financial support derived from the other reporting unit;
 - (b) information for the preceding corresponding financial year which corresponds to the disclosures specified for the current financial year must be disclosed, except where, in respect of the financial year to which these reporting guidelines are first applied, corresponding information was not required under the Act or the Workplace Relations Regulations or a superseded version of these reporting guidelines; and
 - (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to subsections (1), (2) and (3) of section 272 and setting out those subsections.
9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
- (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or
 - (b) a restructure of the branches of the organisation; or
 - (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of an alternative reporting structure for the organisation; or
 - (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1),
- the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:
- (e) date acquired;
 - (f) description; and
 - (g) name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired.

Profit and Loss Statement

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
 - (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
 - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
 - (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and

(e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).

11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
- (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
- (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
- (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
- (f) grants or donations;
- (g) employee benefits to holders of office of the reporting unit;
- (h) employee benefits to employees (other than holders of offices) of the reporting unit;
- (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
- (j) legal costs and other expenses related to litigation or other legal matters;
- (k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and
- (l) penalties imposed on the reporting unit under the Act or Regulations.

12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and
- (b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

Balance Sheet

13. Where an item is disclosed on the face of the balance sheet as:

- (a) a receivable or other right to receive cash; or
 - (b) a payable or other financial liability; and
 - (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,
- the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:
- (d) name of the other reporting unit; and
 - (e) cost or value attributable to the other reporting unit.

14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

Liabilities

- (a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- (b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
- (c) employee benefits in respect of holders of offices in the reporting unit;
- (d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

Equity

- (e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- (f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
- (g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
- (h) the balance of the general fund.

Statement of Cash Flows

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

Recovery of wages activity financial report

16. Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.
17. The financial report required under paragraph 16 should be prepared and presented in a manner consistent with Australian Accounting Standards and Statements of Accounting Concepts approved by the Australian Accounting Standards Board.
18. Comparatives for the preceding financial year must be disclosed in the financial report required under paragraph 16 except where, in respect of the financial year to which these reporting guidelines are first applied, comparatives were not required under a superseded version of these reporting guidelines.
19. The financial report required under paragraph 16 may be prepared under the cash basis of accounting or the accrual basis of accounting, at the option of the organisation provided that all reporting units of the organisation use the same. The Appendix to these reporting guidelines provides for purposes of illustration only the format of this financial report prepared under the cash basis of accounting.
20. Balances including nil amounts for the following items of revenue must be disclosed in the financial report required under paragraph 16:
 - (a) amounts in aggregate recovered from employers in respect of recovery of wages activity; and
 - (b) interest received on recovered moneys.
21. Balances including nil amounts for the following items of outgoings from recovered moneys must be disclosed in the financial report required under paragraph 16:
 - (a) deductions of amounts payable in aggregate in respect of membership of the organisation where at the time of deduction the amounts had become payable:
 - (i) 12 months before or earlier; or
 - (ii) greater than 12 months before; and
 - (b) deductions of donations or other contributions made to a fund or account of the reporting unit showing the name and amount in aggregate in respect of each such fund or account; and
 - (c) deductions of donations or other contributions made to a fund or account of another reporting unit of the organisation showing the name of the other reporting unit and the name and amount in aggregate in respect of each such fund or account; and
 - (d) deductions of donations or other contributions made to a fund or account of another entity showing the name of the other entity and the name and amount in aggregate in respect of each such fund or account; and
 - (e) deductions in aggregate of fees charged or reimbursements in aggregate of expenses incurred by the reporting unit in respect of recovery of wages activity; and
 - (f) amounts in aggregate distributed to workers as recovered moneys.
22. Balances including nil amounts for cash assets attributable to recovered moneys must be disclosed in the financial report required under paragraph 16 as at the:
 - (a) beginning of the financial year; and

(b) end of the financial year.

23. For purposes of subparagraph 253(2)(b)(ii) of the RAO Schedule the notes to the financial statements must contain the following information in relation to recovery of wages unless already disclosed in the financial report required under paragraph 16:

- (a) the number of workers to which the moneys recovered mentioned in subparagraph 20(a) relate; and
- (b) aggregate payables to workers attributable to recovered moneys but not yet distributed; and
- (c) the number of workers to which the payables mentioned in subparagraph (b) relate; and
- (d) name and balance of each fund or account operated for recovery of wages activity; and
- (e) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (d) have been invested in any assets - the name of the fund or account and the value of those assets.

Committee of Management Statement

24. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.

25. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:

- (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 Industrial Registrar;
- (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 RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

(f) in relation to recovery of wages activity:

- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
- (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

26. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.

Auditor's Statement

27. The auditor's statement required under section 257(5) of the RAO Schedule must include a declaration as to whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;
- (b) in relation to recovery of wages activity;
 - (i) that the scope of the audit encompassed recovery of wages activity;
 - (ii) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Registrar, including;
 - 1. any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. any donations or other contributions deducted from recovered money; and
- (c) any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule.

Glossary of Terms

28. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

amalgamated organisation has the meaning provided in section 35 of the RAO Schedule.

assets are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

cash assets means cash on hand and cash-equivalent assets.

cash-equivalent assets means highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the investor's option and are subject to an insignificant risk of changes in value.

cash flows means cash movements resulting from transactions with parties external to the reporting unit.

cash on hand means notes and coins held, and deposits held at call with a financial institution.

comparatives mean the corresponding amounts and other disclosures for the preceding financial year presented for comparative purposes as part of the current year's financial report.

designated officer is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

employee benefits means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

entity means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

equity means the residual interest in the assets of the reporting unit after deduction of its liabilities.

financial liability includes an obligation to deliver cash to another entity.

financial records to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

financial statements comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

financial year in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

general administrative expenses includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

general fund means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

general purpose financial report has the meaning set out in subsection 253(2) of the RAO Schedule.

grant or donation is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

liabilities are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

membership subscriptions means periodic subscriptions in respect of membership of the organisation.

notes to the financial statements comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).

organisation means an organisation registered under the RAO Schedule.

payables are amounts owed by the reporting unit to other entities for goods or services delivered.

RAO Schedule means Schedule 1B to the *Workplace Relations Act 1996*.

RAO Regulations means the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*.

receivables are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

recovery of wages activity means work by the organisation to recover from employers money due and payable to workers under awards, certified agreements or Australian Workplace Agreements and contracts of employment.

reporting unit has the meaning set out in section 242 of the RAO Schedule.

revenues are inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of the reporting unit that result in an increase in equity during the financial year.

rules of an organisation are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

workers means, in the context of recovery of wages activity, an employee of an employer who may or may not be a member of the organisation engaging in the recovery of wages activity.

Dated: 12 October 2004



Nicholas Wilson
Industrial Registrar

* refer paragraph 19 of reporting guidelines for the purposes of section 253 of the RAO Schedule

[full name of reporting unit]

Statement of receipts and payments for recovery of wages activity - Cash Basis - for year ended 30 June 2004

	Note	2004 \$	2003 \$
Cash assets in respect of recovered money at beginning of year		X	X
Receipts			
Amounts recovered from employers in respect of wages etc		X	X
Interest received on recovered money		X	X
Total receipts		X	X
Payments			
Deductions of amounts due in respect of membership for:			
• 12 months or less		(X)	(X)
• greater than 12 months		(X)	(X)
Deductions of donations or other contributions to accounts or funds of:			
• the reporting unit -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
• [name of other reporting unit of the organisation] -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
• [name of other entity] -			
➤ [name of account]		(X)	(X)
➤ [name of fund]		(X)	(X)
➤ [name of fund]		(X)	(X)
Deductions of fees or reimbursements of expenses		(X)	(X)
Payments to workers in respect of recovered money		(X)	(X)
Total payments		(X)	(X)
Cash assets in respect of recovered money at end of year		X	X



10 Feb 2010

Ms Cynthia Lo-Booth
Tribunal Services & Organisations
Fair Work Australia
GPO Box 1994
Melbourne VIC 3000

Dear Ms Lo-Booth

Victorian Farmers Federation Industrial Association – Financial reports ended 31 Dec 2007 and 2008 ; Fair Work Act 2009

We refer to your correspondence to Mr Hinton of 4 December 2009 concerning additional information sought. The correspondence has been referred to me as the person responsible for the preparation of the annual financial statements of the Victorian Farmers federation Industrial Association (VFFIA).

We apologise for having taken a while to respond. We have consulted with VFFIA's auditors, Coffey Hunt regarding their 'signing off' on the additional information sought. The Coffey Hunt view is that the additional information sought is not that normally 'signed off' by the auditors, and have suggested the VFF respond to Fair Work's information request without having the information audited.

We now provide additional unaudited information as follows:

- 1) Balances of items – Item 11
 - a) Expenses incurred for employers making payroll deductions
 - Nil (2007 & 2008)
 - b) Reporting unit pay another reporting unit.
 - Please refer to Note 4 of the audited annual financial statements and which identifies 'Service fees' of \$571,748 and \$641,858 for 2008 and 2007 respectively.
 - These are Service Fees charged VFFIA by the operating company of the VFF group (*Victorian Farmers Federation*) for the administration of the VFFIA.
 - VFFIA has no staff, with all work being carried out for and on behalf of VFFIA being conducted by employees of the VFF.
 - c) Fees and subscriptions to any political party, federation or other having an interest in industrial matters.
 - Nil (2007 & 2008)
 - d) Compulsory levies imposed.
 - Nil (2007 & 2008)
 - e) Grants or donations.
 - Nil (2007 & 2008)
 - f) Employee benefits to holders of office
 - Nil (2007 & 2008)
 - g) Employee benefits to employees.
 - Nil (2007 & 2008). Please refer to the third dot point under 1b) above for clarification concerning VFFIA 'employees'.

- h) Fees or allowances of VFFIA representative attendances at conferences or other meetings.
 - Nil (2007 & 2008).
- i) Legal costs
 - Nil (2007 & 2008)
- j) Expenses in connection with meetings of members.

Please refer to the second dot point under 1b) above. VFFIA representatives allowances paid by the VFF on behalf of VFFIA and recovered under the VFF annual 'administration fee' were:

2008	\$7,250
2007	\$8,148
- k) Penalties
 - Nil (2007 & 2008)

2) Related Party Transaction

The related party concerned is the Victorian Farmers Federation (VFF), the ultimate 'operating company' within the VFF group of companies.

The 'related party loan' is an interest free 'current account' between VFF and VFFIA and is used to 'transfer' or record Subscriptions, Services fees and other expenses between the VFF and VVIA. There is no set term for repayment.

3) Outstanding information from previous year's financial report.

With reference to correspondence of 21 July 2008 from Mr Andrew Schulz, Statutory Services Branch concerning the 2007 financial documents, we advise as follows:

3.1) 2007 Meeting expenses.

We refer you to item 1j) above.

3.2) Related party transactions.

We refer you to item 2 above.

3.3) Issues for future years.

We will endeavour to ensure that

- a) The full text of ss 272 of the RAO Schedule is included in the 2009 Notes to the accounts.
- b) The reference to the specific tax exemption will be modified.

We trust that the above assists in meeting the required compliance.

Yours sincerely



Denholme Chapman
Executive Manager – Financial Services

Cc Mr James Hinton – Treasurer VFFIA

Copy to [unclear] [unclear] [unclear]



FAIR WORK
AUSTRALIA

4 December 2009

Mr James Hinton
Treasurer
Victorian Farmers Federation Industrial Association
24-28 Collins Street
MELBOURNE VIC 3000

By email: hontoj@aussiebroadband.com.au

Dear Mr Hinton

Fair Work (Registered Organisations) Act 2009 - (RO Act)
Financial report for year ended 31 December 2008 - FR2008/593
Financial report for year ended 31 December 2007 - FR2007/638

I refer to our correspondence with you dated 21 July 2008 regarding the financial report for year ended 31 December 2007 and our correspondence dated 25 September 2009 regarding the financial report for year ended 31 December 2008. In both letters we sought additional information to be provided to our office. A copy of the correspondence is enclosed for your information.

To date Fair Work Australia has no record of any further documents lodged by the Victorian Farmers Federation Industrial Association (VFFIA).

The financial reports for year ended 31 December 2007 and 2008 have still not been filed. They shall remain in the public record as being not filed until the additional information we seek regarding expenses incurred by VFFIA (under item 11 of the Reporting Guidelines) and information pertaining to related party transactions (under paragraph 17 of AASB 124) for both years are lodged with this office.

The financial reports and the correspondence will be placed on the FWA website and available to the general public at: <http://www.e-airc.gov.au/222v/financial>

Yours sincerely

Cynthia Lo-Booth
Tribunal Services and Organisations

Cc: Ms Patricia Murdock
Executive Manager HR & IR
Victorian Farmers Federation Industrial Association
pmurdock@vff.org.au

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

Telephone: (03) 8661 7989
International: (613) 8661 7989
Facsimile: (03) 9655 0410
Email: orgs@fwa.gov.au



FAIR WORK
AUSTRALIA

4 December 2009

Mr James Hinton
Treasurer
Victorian Farmers Federation Industrial Association
24-28 Collins Street
MELBOURNE VIC 3000

By email: hontoj@aussiebroadband.com.au

Dear Mr Hinton

Fair Work (Registered Organisations) Act 2009 - (RO Act)
Financial report for year ended 31 December 2008 - FR2008/593
Financial report for year ended 31 December 2007 - FR2007/638

I refer to our correspondence with you dated 21 July 2008 regarding the financial report for year ended 31 December 2007 and our correspondence dated 25 September 2009 regarding the financial report for year ended 31 December 2008. In both letters we sought additional information to be provided to our office. A copy of the correspondence is enclosed for your information.

To date Fair Work Australia has no record of any further documents lodged by the Victorian Farmers Federation Industrial Association (VFFIA).

The financial reports for year ended 31 December 2007 and 2008 have still not been filed. They shall remain in the public record as being not filed until the additional information we seek regarding expenses incurred by VFFIA (under item 11 of the Reporting Guidelines) and information pertaining to related party transactions (under paragraph 17 of AASB 124) for both years are lodged with this office.

The financial reports and the correspondence will be placed on the FWA website and available to the general public at: <http://www.e-airc.gov.au/222v/financial>

Yours sincerely

Cynthia Lo-Booth
Tribunal Services and Organisations

Cc: Ms Patricia Murdock
Executive Manager HR & IR
Victorian Farmers Federation Industrial Association
pmurdock@vff.org.au



Fair Work Australia

25 September 2009

Mr James Hinton
Treasurer
Victorian Farmers Federation Industrial Association
24-28 Collins Street
MELBOURNE VIC 3000

By email: jhinton@vff.org.au

Dear Mr Hinton

Re: Fair Work (Registered Organisations) Act 2009 – (RO Act)
Financial report for year ended 31 December 2008 – FR2008/593
Financial report for year ended 31 December 2007 – FR2007/638

I acknowledge receipt of the financial report for year ended 31 December 2008 (FR2008/593). The documents were lodged with Fair Work Australia on 9 July 2009.

The documents have not been filed.

In order to conclude the matter and have the financial report filed additional information must be provided to our office.

1. Balances for Certain Items of Expense Must Be Disclosed

Item 11 of the Reporting Guidelines require a registered organisation to disclose the balances for the following expense items:

- Expenses incurred for employers making payroll deductions of membership subscriptions;
- Where the rules of the organisation require one reporting unit to pay another reporting unit of the organisation a contribution to the administrative expenses;
- Fees and periodic subscriptions in respect of its affiliation to any political party, federation or group of organisations having an interest in industrial matters;
- Compulsory levies imposed on the reporting unit;
- Grants or donations;
- Employee benefits to holders of office;
- Employee benefits to employees;
- Fees or allowances in respect of attendances as representatives of the reporting unit at conferences or other meetings;
- Legal costs;
- Expenses incurred in connection with meeting of members or committees;
- Penalties imposed on the reporting unit under the Act or Regulations.

Not all of these expense items have been incurred by your reporting unit. However, for those items which have been incurred they must be disclosed as a separate figure in the accounts. For example, from the information disclosed in the previously lodged financial report I note for the year ended 31 December 2008, there was a meeting of the committee of management on 18 March 2008 and a general meeting of members on 26 June 2008. The expenses of these meetings and any other expense items listed in the above dot points incurred during the financial

year ended 31 December 2008 must be provided as separate amounts. Please provide this information regarding the expenses to our office by 23 October 2009.

2. Related Party Transaction

Paragraph 17 of AASB 124 Related Party Disclosures relevantly states that *“an entity shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements”*.

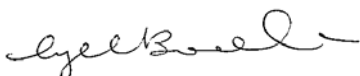
Note 6 of the Notes to the financial statement has an entry of \$3,920 “Loan to related party”. The Cash Flow Statement also refers to an entry entitled “Net movement in amounts owing to related entities” of \$3. However, there is no descriptive information provided to disclose the nature of the related party relationship. Again, this information disclosing the nature of the related party relationship must be provided by 23 October 2009.

3. Outstanding information from previous year’s financial report (FR2007/638)

I note the financial report for year ended 31 December 2007 (FR2007/638) lodged on 9 July 2008 is still yet to be filed. In a letter from Mr Schultz from our office dated 21 July 2008 you were advised to provide additional information before the financial report would be filed. Follow up correspondence by email was sent to you by Mr Schultz on 3 October 2008 again seeking the additional information. According to our records, no further documents have been lodged to date in relation to the financial report for year ended 31 December 2007 (FR2007/638). A copy of Mr Schultz’s letter dated 21 July 2008 is enclosed for your information. You are required to comply with Mr Schultz’s request to provide the additional information by 23 October 2009.

If you have any queries in relation to this letter, or if there are any problems in providing the additional information by 23 October 2009, please contact me (Wed–Fri) by email at cynthia.lobooth@fwa.gov.au or on (03) 8661 7989.

Yours sincerely



Cynthia Lo-Booth
Tribunal Services and Organisations

Enc.



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410

Mr James Hinton
Treasurer
Victorian Farmers Federation Industrial Association
24-28 Collins Street
MELBOURNE VIC 3000

Email: jhinton@vff.org.au

Dear Mr Hinton,

Re: Financial documents - year ended 31 December 2007 - FR2007/638

s.253 Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

The accounts for the VFFIA for year ended 31 December 2007 were lodged on 9 July 2008.

The documents have not yet been filed.

Additional information is required regarding points (1) and (2) below by 8 August 2008.

1. Meeting Expenses

A registered organisation must disclose expenses incurred in connection with meetings of the organisation – see Item 11(k) of the *Reporting Guidelines*¹ (attached). Documents previously lodged in the Registry suggest that meetings occurred on the following dates²:

- 26 March 2007 – VFFIA Committee of Management Meeting
- 20 June 2007 – VFFIA General Meeting

The lodged accounts did not disclose expenses relating to these meetings (or any other meetings held during the financial year). This information must now be provided.

2. Related Party Transactions

Note 6 to the Financial Report disclosed a loan to a '*related party*'. The Cash Flow Statement also referred to amounts owing to/receivable from '*related entities*'.

The Australian Accounting Standard AASB 124 (Related Party Disclosures) requires an entity to disclose details of a related party relationship.³ The accounts did not appear to provide the relevant information pertaining to such relationships. This information must now be provided.

The issues below should be addressed in future years:

- The accounts are to include the full text of ss.272(1), (2) & (3) of the RAO Schedule (see attached). In future this information should be set out in the Notes to the Accounts.
- The tax exemption pertaining to registered organisations currently arises from s.50.15 of the *Income Tax Assessment Act 1997* rather than the *Income Tax Assessment Act 1936*. Note 1(a) of the Accounts should be amended in future years to reflect this.

If you have any queries regarding the above please contact me on (03) 8661 7990.

Yours faithfully,

Andrew Schultz
Statutory Service Branch
21 July 2008

¹ The Reporting Guidelines must be complied with irrespective of any 'service fee' arrangement.

² See the VFFIA Financial Report for year ending 31 December 2006 (FR2006/632).

³ Section 253 of the RAO Schedule requires the financial report to comply with the Australian Accounting Standards.

Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

s. 272 - Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305).

(4) A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar must provide to a member information received because of an application made at the request of the member.

(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.

Note: This subsection is a civil penalty provision (see section 305).

(6) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:

(a) the member making the application for information; or

(b) the member at whose request the application was made.



10 July 2009

Lynette Markovski
Statutory Services Branch
Australian Industrial Registry
Level 5, 11 Exhibition Street
MELBOURNE VIC 3000

Dear Ms Markovski,

Victorian Farmers Federation Industrial Association Financial Statements

The enclosed documents are the copies of the Victorian Farmers Federation Industrial Association (VFFIA) financial statements for the year ending 31 December 2008 that were presented to the Annual General Meeting on Thursday, 11 June 2009.

Please also find enclosed the signed Certificate of the Authorised Officer, the VFFIA Treasurer, Mr James Hinton.

Please contact me on 9207 5511 if you have any queries.

Yours Sincerely

Patricia Murdock
Executive Manager HR & IR

VICTORIAN FARMERS FEDERATION
INDUSTRIAL ASSOCIATION

FARRER HOUSE

24 - 28 COLLINS STREET

MELBOURNE, VICTORIA 3000

TELEPHONE: (03) 9207 5555

FACSIMILE: (03) 9207 5500

Certificate of Secretary or other Authorised Officer¹

S268 of Schedule 1B *Workplace Relations Act 1996*

I, James Hinton being the Treasurer of the Victorian Farmers Federation Industrial Association Executive Committee certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on approximately 3 April 2009; and
- That the full report was presented to a general meeting of members on 11 June 2009 in accordance with section 266 of the RAO Schedule.

Signature J. W. Hinton

Date: 03 07 2009

¹ RAO regulation 162 prescribes the designed officer for the purpose of RAO Schedule s268 as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE'S OPERATIONS REPORT

Your committee members present their report on the association for the financial year ended 31 December 2008.

Committee Members

The names of Committee of Management members in office at any time during the financial year were:

Alan Heard Bowman
Brian Ahmed
James William Hinton
Margaret Parkinson
Simone Renyard
Robert Tully
Rien Silverstein

Resigned 26 June 2008

Appointed 26 June 2008

Committee members have been in office since the start of the financial year to the date of this reporting unless otherwise stated.

Operating Results

The profit/loss of the association for the financial year after providing for income tax amounted to \$nil (2007 : \$Nil).

Significant changes in state of affairs

No significant changes in the association's state of financial affairs occurred during the financial year.

Principle activities

The principle activity of the association during the financial year has been promoting the industrial interests of Victorian Farmers. There has been no significant change in the nature of the association's activities during the financial year.

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration Accountability of Organisations) Regulations -

a) The number of persons that were at the end of the financial year recorded in the register of members for sec 230 of the RAO Schedule and who were taken to be members of the association under sec 244 of the RAO Schedule was 2,071.

b) The number of persons that were at the end of the financial year employees of the association including both full time and part time employees measured on a full time equivalent basis was Nil.

c) Rule 25.2.4 of the VFFIA registered rules provides that any member of the Executive Committee has the right to resign from the Executive Committee.

d) In accordance with paragraph 254 (2) (d), and to the best of the Executive Committee's knowledge no Officer or member of the reporting unit is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE'S OPERATIONS REPORT

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Likely developments

Likely developments of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the entity.

Environmental issues

The association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying Officers or Auditors

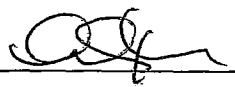
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the association.

Proceedings on behalf of the Association

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

Signed for and on behalf of the Committee of Management.

Committee Member


President ALAN BOWMAN

Committee Member



Dated this 16 day of MARCH 2009.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**INCOME STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2008**

		2008	2007
	Note	\$	\$
Revenue	3	572,048	642,108
Other expenses	4	<u>(572,048)</u>	<u>(642,108)</u>
Surplus before income tax		-	-
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Surplus for the financial year		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	99	96
Other assets	6	3,920	3,923
TOTAL CURRENT ASSETS		<u>4,019</u>	<u>4,019</u>
TOTAL ASSETS		<u><u>4,019</u></u>	<u><u>4,019</u></u>
CURRENT LIABILITIES			
Trade and other payables	7	-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u><u>4,019</u></u>	<u><u>4,019</u></u>
EQUITY			
Retained Surpluses/(deficit)		<u>4,019</u>	<u>4,019</u>
TOTAL EQUITY		<u><u>4,019</u></u>	<u><u>4,019</u></u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 DECEMBER 2008

	Note	Retained surplus/(deficit) \$	2008 \$	2007 \$
Balance as at 1 January 2008		4,019	4,019	4,019
Surplus attributable to members		<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2008		<u>4,019</u>	<u>4,019</u>	<u>4,019</u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in amounts owing to/(receivable from) related entities		<u>3</u>	<u>(175)</u>
Net cash provided by/(used in) financing activities		<u>3</u>	<u>(175)</u>
Net increase/(decrease) in cash held		3	(175)
Cash at beginning of financial year		<u>96</u>	<u>272</u>
Cash at end of financial year		<u><u>99</u></u>	<u><u>96</u></u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Victorian Farmers Federation Industrial Association, is a registered organisation, and is accountable under the Workplace Relations (Registration and Accountability of Organisations) legislation 2003.

The financial report of Victorian Farmers Federation Industrial Association comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income tax

No provision for income tax is made as the Association (being an association not carried on for the purpose of profit or gain to the individual members thereof and being established for the purpose of promoting the development of the agricultural and pastoral resources of Australia) is exempt from income tax under section 23(h) of the Income Tax Assessment Act 1936 (as amended).

(b) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised costs using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debts less principal payments and amortisation.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008**

Note 1: Statement of Significant Accounting Policies (Cont)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(d) Revenue

Subscription income is recognised when received or entitled to be received.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Comparative Figures

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

Note 2 a) : Information to be provided to Members or Registrar

In accordance with the requirements of Schedule 1B of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 of Schedule 1B, which reads as follows:

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must be no less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note 2 b) : Going concern

For the year ended 31 December 2008 the Association incurred a profit/loss of \$nil and at that date had no liabilities and a working capital of \$4,019.

The association has no liabilities.

The Executive Committee of the Association believes that the Association can continue to operate and meet its obligations as and when they fall due. The accounts of the Association have accordingly been prepared on the basis that the Association is a going concern.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 \$	2007 \$
Note 3: Revenue		
Operating Activities		
- Subscriptions	572,048	642,108
- Forgiveness of debt by Victorian Farmers Federation.	-	-
Total Revenue	<u>572,048</u>	<u>642,108</u>

Note 4: Profit from Ordinary Activities

Expenses

Other expenses from ordinary activities

- Audit fees	300	250
- Other expenses	-	-
- Service Fee	571,748	641,858
Total other expenses	<u>572,048</u>	<u>642,108</u>

Note 5: Cash and cash equivalents

Cash at bank and on hand	99	96
	<u>99</u>	<u>96</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>99</u>	<u>96</u>
---------------------------	-----------	-----------

Note 6: Other Assets

Loan to related party	3,920	3,923
	<u>3,920</u>	<u>3,923</u>

Note 7: Payables

Unsecured liabilities

Amounts payable to:

- Other related parties	-	-
	<u>-</u>	<u>-</u>

Note 8: Contingent Liabilities

There were no contingent liabilities as at 31 December 2008.

Note 9: Segment Reporting

The entity operates in one business, being the promotion of farmer member's industrial interests in the state of Victoria, Australia.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008**

2008
\$

2007
\$

Note 10: Cash Flow Information

**(a) Reconciliation of Cash Flow from Operations with Profit
from Ordinary Activities after Income Tax**

Profit from ordinary activities after income tax	-	-
Decrease in other payables	-	-
(Increase)/decrease in other current assets	-	-
Cash from operations	-	-

(b) Credit Stand by Arrangement and Loan Facilities

The entity has no arrangements or facilities.

Note 11: Financial Instruments

(a) Financial Risk Management

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

The main purpose of non-derivative financial instruments is to raise finance for group operations.

The entity does not have any derivative instruments at 31 December 2008.

Financial Risks

The main risks the group is exposed to through its financial instruments are liquidity risk and credit risk.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

Credit risk

The maximum exposure to credit risk, at balance date, to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008

Note 11: Financial Instruments (Cont.)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 years		Non-interest Bearing		Total	
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets:												
Cash and cash equivalents	6.44	6.44	99	96	-	-	-	-	-	-	99	96
Receivables			-	-	-	-	-	-	3,920	3,923	3,920	3,923
Total Financial Assets			99	96	-	-	-	-	3,920	3,923	4,019	4,019
Financial Liabilities												
Trade and other payables			-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-	-	-	-	-

Note 12: Company Details

The registered office and principal place of business of the company is:

Victorian Farmers Federation
Level 5, 24-28 Collins Street
Melbourne VIC 3000

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On 16 March 2009 the Committee of Management of the Victorian Farmers Federation Industrial Association Executive Committee passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2008:

The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

- a) The financial statements and notes comply with Australian Accounting and International Financial Reporting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- 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;
- 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 RAO Schedule and the RAO Regulations; and
 - iv) The organisation does not consist of 2 or more reporting units; and
 - v) No information has been requested by a member of the reporting unit or Register pursuant to section 272 of the RAO schedule; and
 - vi) No orders have been made by the commission under section 273 of the RAO schedule during the period.

For the Committee of Management

Title of Office Held - President

.....

.....Alan Bowman.....

Dated this 16 day of MARCH 2009.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equities, cash flow statement, accompanying notes to the financial statements, and the statement by members of committee for Victorian Farmers Federation Industrial Association, for the year ended 31 December 2008.

The Committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the requirements of the Association Incorporations Act Victoria 1981. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the association. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with applicable the Association Incorporations Act Victorian 1981, Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of schedule 1 of the Workplace Relations Act 1996 so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed independence requirements of Australia professional ethical pronouncements.



COFFEY HUNT

Audit Opinion

In our opinion, the financial report of Victorian Farmers Federation Industrial Association presents a true and fair view, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of schedule 1 of the Workplace Relations Act 1996, of the financial position of Victorian Farmers Federation Industrial Association as at 31 December 2008 and the results of its operations and its cash flows for the year then ended.

COFFEY HUNT
CHARTERED ACCOUNTANTS

M.P. GUNN
PARTNER

Dated at Warrnambool, 16th March 2009.

Liability limited by a scheme approved under Professional Standards Legislation.