



15 February 2022

Warwick Renton
General Manager
VIPA
Sent via email: Warwick.Renton@vipa.asn.au
CC: stephenw@davidsons.com.au

Dear Warwick Renton,

**VIPA
Financial Report for the year ended 30 June 2021 – (FR2021/219)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the VIPA. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 21 December 2021.

The financial report has now been filed.

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

You are not required to take any further action in respect of the report lodged. I make the following comment to assist you when you next prepare a financial report.

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely:

Auditor scope does not include subsection 255(2A) report and the officer's declaration statement

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report. A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure in future years that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

Where nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer's declaration statement must, where one is prepared, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report.

An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

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

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

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

Please ensure in future years that the above-mentioned items are compliant with the reporting guidelines under the RO Act.

Reporting Requirements

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

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

If you have any queries regarding this letter, contact me on (02) 6240 0777 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely



Madeleine Hurrell

Registered Organisations Commission



Financial Statements 2020–21

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VIPA

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2021

I John Lyons being the President of VIPA certify:

- that the documents lodged herewith are copies of the full report for VIPA for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 29 November 2021; and
- that the full report was presented to a *general meeting of members* of the reporting unit on 20 December 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer: John Lyons.....

Title of prescribed designated officer: President.....

Dated: 21 December 2021

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIPA

Opinion

I have audited the financial report of VIPA (the Reporting Unit), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of VIPA as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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

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

/ GEELONG

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/ TORQUAY

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/ DIRECTORS

Stephen Wight CA
Stephen Kirtley CA

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ACN 123 098 662 / ABN 77 123 098 662

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Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or



business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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

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

Stephen Wight
Director

Dated this 26th day of November 2021

Davidsons Assurance Services Pty Ltd

101 West Fyans Street
Geelong Victoria 3220

Registration number (as registered by the RO Commissioner under the RO Act): AA2021/12

VIPA

Required under subsection 255(2A)

for the year ended 30 June 2021

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2021.

Descriptive form

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	495,460	523,898
Advertising	-	-
Operating costs	229,987	274,594
Donations to political parties	-	-
Legal costs	47,586	32,400

Signature of designated officer:

Name and title of designated officer: John Lyon President.....

Dated: 25 November 2021

Operating report

for the year ended 30 June 2021

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2021.

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

VIPA's principal activity throughout the course of the financial year was the provision of representation and negotiation on behalf of Virgin Australia Group pilot members.

There were no significant changes in the nature of activities undertaken throughout the course of the financial year.

To ensure VIPA represents its members' views accurately, VIPA remains committed to engaging in regular consultation with members. This is achieved through by way of email communications, comprehensive and timely updates, consultation via face to face meetings, surveys and discussions conducted whilst 'flying the line.'

Significant changes in financial affairs

Significant Change	Nature of Change
<i>Increase in grant income</i>	<i>VIPA received the following government grants to assist with cash flow during Covid 19:</i> <ul style="list-style-type: none"> - <i>Jobkeeper (Federal Government) \$123,450</i> - <i>Cash Flow Boost (Federal Government) \$50,000</i> - <i>Business Support Fund (Victorian Government) \$15,000</i>
<i>Increase in Legal Costs</i>	<i>There was \$47,586 of legal expenses for 2021 which is increase of 47% on prior year costs.</i>
<i>Decrease in Profit</i>	<i>A decrease in profit is as a result of 37% decline in fee revenue.</i>

Right of members to resign

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisation) Act 2009, members have the right to resign from membership of the organisation by written notice addressed to and delivered to the Committee of Management.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members


The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of Fair Work (Registered Organisation) Act 2009 and who were taken to be members of VIPA under Section 244 of the Fair Work (Registered Organisations) Act was 329

Number of employees

The number of persons that were at the end of the financial year employees of VIPA including both full time and part time employees was 4 (2020: 5)

Names of committee of management members and period positions held during the financial year

John Lyons	President	1 July 2020 to 30 June 2021
Cameron Macdonald	Vice President	1 July 2020 to 30 June 2021
Shane Murdock	Treasurer	1 July 2020 to 30 June 2021
Mathew Purton	Secretary	1 July 2020 to 30 June 2021
Adrian Moore	Committee Member	1 July 2020 to 30 June 2021
Matthew Bester	Committee Member	1 July 2020 to 30 June 2021
Daniel Lang	Committee Member	11 November 2020 to 30 June 2021
Eivind Eikli	Committee Member	1 July 2020 to 3 October 2020

Signature of designated officer: 

Name and title of designated officer: John Lyons - President.....

Dated: 25 November 2021

Committee of management statement

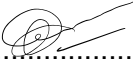
for the year ended 30 June 2021

On 25/11 / 2021 the Committee of Management of VIPA passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 30 June 2021:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer: 

Name and title of designated officer: John Stewart Lyons - President.....

Dated: 25 November 2021.....

Statement of comprehensive income

for the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Revenue from contracts with customers	3		
Membership subscriptions*		506,884	807,811
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies*	3B	-	-
Total revenue from contracts with customers		506,884	807,811
Income for furthering objectives	3		
Grants and/or donations*	3C	188,450	91,741
Income recognised from volunteer services*	3D	-	-
Total income for furthering objectives		188,450	91,741
Other Income			
Revenue from recovery of wages activity*	3G	-	-
Investment income	3H	291	785
Other income	3J	41,342	54,924
Total other income		41,633	55,709
Total income		736,966	955,261
Expenses			
Employee expenses*	4A	495,460	523,898
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees*	4C	-	-
Administration expenses	4D	224,423	265,694
Grants or donations*	4E	-	3,650
Depreciation and amortisation	4F	271	362
Finance costs	4G	107	89
Legal costs*	4H	47,586	32,400
Net losses from sale of assets	4I	185	-
Other expenses	4J	-	-
Audit fees	13	5,000	4,800
Total expenses		773,033	830,893
Surplus (deficit) for the year		(36,066)	124,368
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)		-	-
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Gain/(loss) on equity instruments designated at FVTOCI		-	-
Total comprehensive income for the year		(36,066)	124,368

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Statement of financial position

as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	561,565	656,901
Trade and other receivables*	5B	123,514	74,287
Other current assets	5D	12,798	4,898
Total current assets		697,877	736,086
Non-current assets			
Property, plant and equipment	6A	814	1,085
Other financial assets	6C	-	185
Total non-current assets		814	1,270
Total assets		698,691	737,356
LIABILITIES			
Current liabilities			
Trade payables*	7A	19,771	3,261
Other payables*	7B	178,322	220,164
Employee provisions	8A	130,430	73,819
Total current liabilities		328,523	297,244
Non-current liabilities			
Employee provisions	8A	-	33,879
Total non-current liabilities		-	33,879
Total liabilities		328,523	331,123
Net assets		370,167	406,233
EQUITY			
Retained earnings (accumulated deficit)		370,167	406,233
Total equity		370,167	406,233

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Statement of changes in equity

for the year ended 30 June 2021

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2019		-	281,865	281,865
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Adjusted Balance as at 1 July 2019				
Surplus / (deficit)		-	124,368	124,368
Other comprehensive income		-	-	-
Transfer to/from funds	9A/9B	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2020		-	406,233	406,233
Adjustment for errors		-	-	-
Surplus / (deficit)		-	(36,066)	(36,066)
Other comprehensive income		-	-	-
Transfer to/from funds	9A/9B	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2021		-	370,167	370,167

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Statement of cash flows

for the year ended 30 June 2021

	2021	2020
Notes	\$	\$
OPERATING ACTIVITIES		
Cash received		
Receipts from other reporting unit/controlled entity(s)*	-	-
Interest	291	785
Other	624,011	872,169
Cash used		
Employees	(472,728)	(519,171)
Suppliers	(268,640)	(309,500)
Payment to other reporting units/controlled entity(s)*	-	-
Net cash from (used by) operating activities	(117,066)	44,283
INVESTING ACTIVITIES		
Cash received		
Other	-	-
Cash used		
Other	-	-
Net cash from (used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Other	-	-
Cash used		
Other	21,730	40,000
Net cash from (used by) financing activities	21,730	40,000
Net increase (decrease) in cash held	(95,336)	84,283
Cash & cash equivalents at the beginning of the reporting period	656,901	572,618
Cash & cash equivalents at the end of the reporting period	561,565	656,901

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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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 (RO Act)*. For the purpose of preparing the general purpose financial statements, VIPA is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There have not been any accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

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

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to VIPA.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. VIPA does not expect the adoption of this amendment to have an impact on its financial statements.

1.5 Investment in associates and joint arrangements

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, VIPA discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

VIPA did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.7 Current versus non-current classification

VIPA presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

VIPA classifies all other liabilities as non-current.

1.8 Revenue

VIPA enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where VIPA has a contract with a customer, VIPA recognises revenue when or as it transfers control of goods or services to the customer. VIPA accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of VIPA.

If there is only one distinct membership service promised in the arrangement, VIPA recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect VIPA promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, VIPA allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that VIPA charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), VIPA recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, VIPA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from VIPA at their standalone selling price, VIPA accounts for those sales as a separate contract with a customer.

Income of VIPA as a Not-for-Profit Entity

Consideration is received by VIPA to enable VIPA to further its objectives. VIPA recognises each of these amounts of consideration as income when the consideration is received (which is when VIPA obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

- VIPA's recognition of the cash contribution does not give rise to any related liabilities.

VIPA receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- donations and voluntary contributions from members (including whip rounds); and
- government grants.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

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

1.9 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 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 VIPA 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.

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

1.10 Leases

VIPA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

VIPA as a lessee

VIPA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. VIPA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

VIPA's short-term leases are those that have a lease term of 12 months or less from the commencement. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.11 Borrowing costs

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

1.12 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 statement of financial position.

1.13 Financial instruments

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

1.14 Financial assets

Contract assets and receivables

A contract asset is recognised when VIPA's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on VIPA's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost

VIPA measures financial assets at amortised cost if both of the following conditions are met:

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

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

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

Financial assets at fair value through other comprehensive income

VIPA measures debt instruments at fair value through other comprehensive income (**OCI**) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

VIPA's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, VIPA can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when VIPA benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

VIPA elected to classify irrevocably its listed and non-listed equity investments under this category.

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

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

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

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- VIPA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) VIPA has transferred substantially all the risks and rewards of the asset; or
 - b) VIPA has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When VIPA has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, VIPA continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (**ECLs**) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, VIPA applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, VIPA does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. VIPA has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, VIPA recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that VIPA expects to receive, discounted at an approximation of the original EIR.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

VIPA considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, VIPA may also consider a financial asset to be in default when internal or external information indicates that VIPA is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.15 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

VIPA's financial liabilities include trade and other payables.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 Financial Instruments are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.16 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before VIPA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when VIPA performs under the contract (i.e. transfers control of the related goods or services to the customer).

1.17 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.

1.18 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.

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:

	2021	2020
Plant and equipment	3 to 8 years	3 to 8 years

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 or loss.

1.19 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. The useful life of VIPA's intangible assets are:

	2021	2020
Intangibles	N/A	N/A

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 or loss when the asset is derecognised.

1.20 Impairment of 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 the carrying amount.

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 VIPA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 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 the lower of their previous carrying amount and fair value less costs of disposal.

1.22 Taxation

VIPA is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an 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 (**ATO**); 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 statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.23 Fair value measurement

VIPA measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A Financial assets and liabilities.

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:

- 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 by VIPA. 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.

VIPA uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, VIPA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. 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. For the purpose of fair value disclosures, VIPA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.24 Going concern

VIPA is not reliant on the agreed financial support of another reporting entity to continue on a going concern basis.

Note 2 Events after the reporting period

VIPA negotiated a restructure for the purpose of merging with the Transport Workers Union. The merger has been agreed on in principle between VIPA and Transport Workers Union and is subject to final ratification with the Registered Organisations Commission before settlement. This restructure is expected to be completed in early December 2021

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of VIPA's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income.

	2021	2020
	\$	\$
Revenue funding sources		
Members	506,884	807,811
Other reporting units	-	-
Government	188,450	91,741
Other parties	41,633	55,709
Total revenue for furthering activities	736,966	955,261

Note 3A: Capitation fees and other revenue from another reporting unit *

Capitation fees:

Subtotal capitation fees	-	-
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Other revenue from another reporting unit:

Subtotal other revenue from another reporting unit	-	-
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Total capitation fees and other revenue from another reporting unit

-	-
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Note 3B: Levies*

Total levies	-	-
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Note 3C: Grants and/or donations*

Grants	188,450	90,000
Donations	-	1,741
Total grants and donations	188,450	91,741

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income.

	2021 \$	2020 \$
Note 3G: Revenue from recovery of wages activity*		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-
Note 3H: Investment income		
Interest		
Deposits	291	785
Total investment income	291	785
Note 3J: Other income		
Centrelink – Paid Parental Leave	-	13,331
Other Revenue	41,342	41,594
Total other income	41,342	54,924
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	-	-
Superannuation	9,560	10,389
Leave and other entitlements	1,618	1,622
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	11,178	12,011
Employees other than office holders:		
Wages and salaries	422,420	462,838
Superannuation	40,748	45,944
Leave and other entitlements	21,114	3,105
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	484,282	511,887
Total employee expenses	495,460	523,898

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income.

	2021	2020
	\$	\$
Note 4B: Capitation fees and other expense to another reporting unit *		
Capitation fees		
Subtotal capitation fees	-	-
Other expense to another reporting unit		
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	-	-
Note 4C: Affiliation fees*		
Total affiliation fees/subscriptions	-	-
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	1,966	24,277
Contractors/consultants	109,463	108,920
Property expenses	-	-
Office expenses	-	-
Information communications technology	18,524	23,759
Other	80,742	95,238
Subtotal administration expense	210,695	252,194
Operating lease rentals:		
Short term, low value and variable lease payments	13,728	13,500
Total administration expenses	224,423	265,694
Note 4E: Grants or donations*		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	3,650
Total grants or donations	-	3,650

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income

	2021	2020
	\$	\$
Note 4F: Depreciation and amortisation		
Depreciation		
Property, plant and equipment	271	362
Total depreciation	271	362
Amortisation		
Total amortisation	-	-
Total depreciation and amortisation	271	362

Note 4G: Finance costs

Overdrafts/loans	107	89
Total finance costs	107	89

Note 4H: Legal costs*

Litigation	-	-
Other legal costs	47,586	32,400
Total legal costs	47,586	32,400

Note 4I: Net losses from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Shares in companies	185	-
Total net losses from asset sales	185	-

Note 4J: Other expenses

Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total other expenses	-	-

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	561,565	656,901
Total cash and cash equivalents	561,565	656,901

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income or the Statement of financial position.

	2021	2020
	\$	\$
Note 5B: Trade and other receivables		
Receivables from other reporting unit(s)*		
Total receivables from other reporting unit(s)	-	-
Less allowance for expected credit losses*		
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	-
Trade receivables and accruals	111,244	40,287
Total trade receivables and accruals	111,244	40,287
Other receivables:		
GST receivable	-	-
Advance – VIPA Financial Services Pty Ltd	-	34,000
Loan – VIPA Risk Management Pty Ltd	11,500	-
Sundry Debtor – VIPA Risk Management Pty Ltd	770	-
Total other receivables	12,270	34,000
Total trade and other receivables (net)	123,514	74,287

Note 5B: Trade and other receivables (continued)

VIPA has recognised the following assets and liabilities related to contracts with customers:

Receivables	111,244	40,287
Receivables – current	111,244	40,287
Receivables – non-current	-	-
Contract assets	-	-
Contract assets – current	-	-
Contract assets – non-current	-	-
Other contract liabilities	-	-
Contract liabilities – current	-	-
Contract liabilities – non-current	-	-

Note 5D: Other current assets

Prepaid Rent	6,861	662
Prepaid Insurance	5,937	4,236
Other Prepayments	-	-
Total other current assets	12,798	4,898

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2021

	Plant and Equipment \$	Total \$
Property, Plant and Equipment:		
carrying amount	1,900	1,900
accumulated depreciation	(1,086)	(1,086)
Total Property, Plant and Equipment	814	814

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2020	1,085	1,085
Additions:		
By purchase	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	(271)	(271)
Other movement	-	-
Disposals:		
Other	-	-
Net book value 30 June 2021	814	814
Net book value as of 30 June 2021 represented by:		
Gross book value	1,900	1,900
Accumulated depreciation and impairment	(1,086)	(1,086)
Net book value 30 June 2021	814	814

Note 6A: Property, Plant and Equipment (continued)

2020

	Plant and Equipment	Total
	\$	\$
Property, Plant and Equipment:		
carrying value	1,900	1,900
accumulated depreciation	(815)	(815)
Total Property, Plant and Equipment	1,085	1,085

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2019	1,447	1,447
Additions:		
By purchase	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	(362)	(362)
Other movement	-	-
Disposals:		
Other	-	-
Net book value 30 June 2020	1,085	1,085
Net book value as of 30 June 2020 represented by:		
Gross book value	1,900	1,900
Accumulated depreciation and impairment	(815)	(815)
Net book value 30 June 2020	1,085	1,085

	2021	2020
	\$	\$
Note 6B: Intangibles		
Formation Costs:	-	-
Total intangibles	-	-

Reconciliation of opening and closing balances of intangibles

As at 1 July		
Gross book value	70,263	70,263
Accumulated amortisation and impairment	(70,263)	(70,263)
Net book value 1 July	-	-
Additions:		
By purchase	-	-
Impairments	-	-
Amortisation	-	-
Other movements	-	-
Disposals	-	-
Net book value 30 June	-	-
Net book value as of 30 June represented by:		
Gross book value		
Accumulated amortisation and impairment		
Net book value 30 June	-	-

Note 6C: Other financial assets

Financial assets at fair value through profit or loss

Quoted equity shares	-	185
Total other financial assets	-	185

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	19,771	3,261
Subtotal trade creditors	19,771	3,261
Payables to other reporting unit(s)*		
Subtotal payables to other reporting unit(s)	-	-
Total trade payables	19,771	3,261

Settlement is usually made within 30 days.

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	8,760	10,891
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
GST payable	15,470	22,197
Prepayments received/unearned revenue	142,600	177,582
Credit Card	116	1,556
PAYG withholding payable	11,376	7,938
Total other payables	178,322	220,164

Total other payables are expected to be settled in:

No more than 12 months	178,322	220,164
More than 12 months	-	-
Total other payables	178,322	220,164

Note 8 Provisions

Note 8A: Employee provisions*

Office holders:

Annual leave	-	-
Long service leave	20,087	18,469
Separations and redundancies	-	-
Subtotal employee provisions—office holders	20,087	18,469

Employees other than office holders:

Annual leave	65,058	51,472
Long service leave	45,285	37,757
Separations and redundancies	-	-
Subtotal employee provisions—employees other than office holders	110,343	89,229
Total employee provisions	130,430	107,698

Current	130,430	73,819
Non-current	-	33,879
Total employee provisions	130,430	107,698

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

	2021	2020
	\$	\$
Note 9 Equity		
Note 9A: General funds*		
Balance as at start of year	-	-
Transferred to general fund	-	-
Transferred out of general fund	-	-
Balance as at end of year	-	-
Total general funds	-	-
Note 9B: Other funds*		
Compulsory levy/voluntary contribution fund		
Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

Note 10 Cash Flow

Note 10A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:

Cash flow statement	561,565	656,901
Balance sheet	561,565	656,901
Difference	-	-

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

Profit/(deficit) for the year	(36,066)	124,368
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Adjustments for non-cash items

Depreciation/amortisation	271	362
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	181
Gain on disposal of assets	185	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	(70,957)	65,707
(Increase)/decrease in prepayments	(7,900)	(510)
Increase/(decrease) in supplier payables	(25,332)	(150,552)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	22,732	4,727
Net cash from (used by) operating activities	(117,066)	44,283

Note 10B: Cash flow information*

Cash inflows	646,031	912,953
Total cash inflows	646,031	912,953
Cash outflows	741,367	828,671
Total cash outflows	741,367	828,671

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of cash flows.

2021	2020
\$	\$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

Operating lease commitments—as lessor

Risk management for rights retained in the underlying assets

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are:

Within one year	-	-
After one year but not more than two years	-	-
After two years but not more than three years	-	-
After three years but not more than four years	-	-
After four years but not more than five years	-	-
After five years	-	-
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Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Expenses paid to Salinda Developments Pty Ltd (John Stewart Lyons) includes the following:

Consulting fees	100,630	108,920
Superannuation	9,560	10,389

Amounts owed to John Stewart Lyons include the following:

Superannuation payable	-	-
Accrued long service leave	20,087	18,469

Amounts received from VIPA Financial Services Pty Ltd

34,000	20,000
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Amounts receivable from VIPA Financial Services Pty Ltd

-	54,000
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Amounts receivable from VIPA Risk Management Pty Ltd:

Loan – VIPA Risk Management Pty Ltd	11,500	-
Sundry Debtor – VIPA Risk Management Pty Ltd	770	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, VIPA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2021	2020
	\$	\$

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	181,001	192,534
Annual leave accrued	13,772	5,165
Performance bonus	-	
Consulting fees	10,630	108,920
Personal leave paid	1,377	689
Total short-term employee benefits	296,780	307,308

Post-employment benefits:

Superannuation	22,895	24,656
Superannuation payable	3,991	4,089
Total post-employment benefits	26,886	28,745

Other long-term benefits:

Long-service leave	13,491	2,821
Total other long-term benefits	13,491	2,821

Termination benefits

Total	-	-
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Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	5,000	4,800
Other services	-	-
Total remuneration of auditors	5,000	4,800

No other services were provided by the auditors of the financial statements.

Note 14 Financial Instruments

Credit Risk

Exposure to credit risk relating to the financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to VIPA.

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by VIPA securing amounts receivable and debtors.

VIPA has no significant credit risk.

Liquidity Risk

Liquidity risk arises from the possibility that VIPA might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. VIPA maintains only a small holding of Virgin Australia Holding Limited shares, all other surplus assets are held in deposits with major financial institutions. VIPA monitors the recovery of accounts receivable.

Note 14A: Categories of Financial Instruments

Financial assets

	2021	2020
	\$	\$
Fair value through profit or loss:		
Cash and cash equivalents	561,565	656,901
Trade and other receivables	123,514	74,287
Prepayments	12,798	4,898
Shares in listed companies	-	185
Total	697,877	736,271
Carrying amount of financial assets	697,877	736,271

Financial liabilities

Fair value through profit or loss:		
Trade and other payables	198,093	223,425
Total	198,093	223,425
Carrying amount of financial liabilities	198,093	223,425

Note 14B: Net income and expense from financial assets

	2021	2020
	\$	\$
Financial assets at fair value through profit or loss		
Total held for trading	-	-
Change in fair value		(181)
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit or loss	-	(181)
Net gain/(loss) on financial assets at fair value through profit or loss	-	(181)
Sub-total net income/(expense) from financial assets	-	(181)

Note 14C: Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. VIPA's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets indicated in the balance sheet.

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

Financial assets		
Trade and other receivables	123,514	74,287
Total	123,514	74,287
Financial liabilities		
Trade and other payables	198,093	223,425
Total	198,093	223,425

In relation to VIPA's gross credit risk no collateral is held.

Note 14D: Liquidity risk

Liquidity risk arises when VIPA is unable to meet its financial obligations as they fall due. VIPA typically settles financial obligations within 30 days. It manages risk by monitoring cash flow to ensure adequate holdings of cash and cash equivalents. VIPA's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	19,771	-	-	-	19,771
Total	-	19,771	-	-	-	19,771

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	3,261	-	-	-	3,261
Total	-	3,261	-	-	-	3,261

Note 14E: Market risk

VIPA does not have any material exposure to market risk.

Note 15 Fair value measurement

Note 15A: Financial assets and liabilities

Management of VIPA 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:

- 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 2021 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by VIPA 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 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Financial assets				
Cash and cash equivalents	561,565	561,565	656,901	656,901
Trade and other receivables	123,514	123,514	74,287	74,287
Prepayments	12,798	12,798	4,898	4,898
Shares in listed Companies	-	-	185	185
Total	697,877	697,877	736,271	736,271
Financial liabilities				
Trade and other payables	198,093	198,093	223,425	223,425
Total	198,093	198,093	223,425	223,425

Fair value hierarchy – 30 June 2021

Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Shares in listed Companies	-	-	-
Total	-	-	-

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

Note 17 – COVID 19

The ongoing impact of COVID-19, including significant government restrictions has indirectly impacted VIPA's membership through large scale redundancies at Virgin Australia. Whilst restrictions are now starting to be eased, it is expected that the impact of the pandemic will continue into the foreseeable future.

VIPA received the following assistance from the government
Business support fund – Victorian Government
Cash flow boost – Federal Government
Jobkeeper for eligible employees – Federal Government

Financial impacts

Industry – COVID-19 has created a significant financial impact on the aviation industry due to travel and flight restrictions both domestically and globally.

VIPA – Job losses and pilot employees being stood down have resulted in a reduction in members as well as a reduction in fees generated per member. Since the beginning of the pandemic VIPA has received government support to sufficiently substitute against a decline in revenue.

Operational impacts

VIPA has experienced a proportional increase in workload due to the need to support members through redundancy, enterprise agreement negotiations and a reduced complement of industrial officers.

Strategic impacts

VIPA's Committee of Management has driven the merger initiative with the Transport Worker's Union to future-proof its ability to represent members.

The Committee continues to explore all options to consolidate its revenue streams and preserve its cash reserves. Following the merger with the Transport Worker's Union, it is anticipated that membership numbers will start to increase.

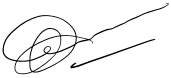
Officer declaration statement

I, John Lyons, being the President of VIPA, declare that the following activities did not occur during the reporting period ending 30 June 2021

VIPA did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership
- pay capitation fees or any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a annual leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office

- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: 

Dated: 25 November 2021