



11 November 2019

Mr Paddy O'Sullivan  
Chief Executive Officer, Victorian Branch  
Australian Hotels Association

Dear Mr O'Sullivan

**Re: – Australian Hotels Association, Victorian Branch - financial report for year ending 30 June 2019 (FR2019/187)**

I refer to the financial report of the Victorian Branch of the Australian Hotels Association. The documents were lodged with the Registered Organisations Commission (**ROC**) on 18 October 2019. A corrected designated officer's certificate was received today.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming 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. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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

Officer's declaration statement – to 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. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- RG13(b) - receive capitation fees or any other revenue from another reporting unit [Note 3A]
- RG13(d) - receive donations or grants [Note 3E]
- RG13(e) - receive revenue from undertaking recovery of wages activity [Note 3G]
- RG14(a) - incur fees as consideration for employers making payroll deductions of membership subscriptions [Note 4D]
- RG14(d) - pay compulsory levies [Note 4D]
- RG14(e)(i) - pay a grant that was \$1,000 or less [Note 4E]
- RG14(e)(ii) - pay a grant that exceeded \$1,000 [Note 4E]
- RG14(f)(ii) - pay superannuation expense for office-holders [Note 4A]
- RG14(f)(iii) - pay leave and other entitlements expense for office-holders [Note 4A]
- RG14(f)(iv) - pay separation and redundancy expense for office-holders [Note 4A]
- RG14(f)(v) - pay other employment benefits expense for office-holders [Note 4A]
- RG14(j)(i) - pay legal costs relating to litigation [Note 4H]
- RG14(k) - pay a penalty imposed under the RO Act or the *Fair Work Act 2009* [Note 4K]
- RG15(a) - have a receivable with another reporting unit [Note 5B]
- RG15(b) - have a payable with another reporting unit [Note 6A]
- RG16(a) - have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions [Note 6B]

- RG16(b)(i) - have a payable in respect of legal costs relating to litigation [Note 6B]
- RG16(b)(ii) - have a payable in respect of legal costs relating to other legal matters [note 6B]
- RG16(c)(i) - have a liability for annual leave for office-holders [Note 7A]
- RG16(c)(ii) – have a liability for long service leave for office-holders [note 7A]
- RG16(c)(iii) - have a liability for separation and redundancy for office-holders [Note 7A]
- RG16(c)(iv) - have a liability for other employment provisions for office-holders [Note 7A]
- RG17(a), (b) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch [Note 8]
- RG17(c) - transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity [Note 8]

Please note that nil activity disclosures only need to be made once.

### **Reporting Requirements**

The ROC website provides several 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 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Australian Hotels Association (Victoria Branch)**

**ACN: 052 166 015**

**Financial Statements 2018–19**

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**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER FOR THE YEAR  
ENDED 30 JUNE 2019**

I, *David Canny* being the President of the Australian Hotels Association (Victoria Branch) certify:

- that the documents lodged herewith are copies of the full report for the [Australian Hotels Association (Victoria Branch) 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 ~~13~~ 13<sup>th</sup> September 2019; and
- that the full report was presented to a general meeting of members of the reporting unit in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

President :  .....

David Canny

Dated this 8 day of October 2019



## **Independent Audit Report to the Members of the Australian Hotels Association (Victoria Branch)**

### **Report on the Audit of the Financial Report**

#### **Opinion**

I have audited the financial report of Australian Hotels Association (Victoria Branch), which **comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, Committee of Management Statement, the subsection 255(2A) report; and the Officer Declaration Statement.**

In my opinion, the **accompanying financial report presents fairly, in all material aspects, the financial position of Australian Hotels Association (Victoria Branch) as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:**

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

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.

## **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 Institute of Chartered Accountants Australia and hold a current Public Practice Certificate.

#### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

No matters requiring disclosure in accordance with these sections of the RO Act were identified.

Name of Firm: Charman Partners .

Name of Partner:

  
.....  
Mark Barson

Date:

9th September 2019

Address:

10 -12 Chapel Street,  
Blackburn, Victoria 3130

Registration number:

AA2017/219



**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**EXPENDITURE REPORT FOR THE YEAR ENDED 30 JUNE 2019**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2019.

**Descriptive form**

Categories of expenditures	2019 (\$)	2018 (\$)
Remuneration and other employment-related costs and expenses – employees	–	–
Advertising	–	–
Operating costs	1,192,265	1,129,143
Donations to political parties	–	–
Legal costs	–	–

President: 

David Canny

Treasurer: 

Paul Stocks

Dated this 30<sup>th</sup> day of September 2019

## **AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Your committee members present their report on the Association for the financial year ended 30 June 2019**

**The names of the Executive Committee Members in office from 1 July 2018 to 9 October 2018 were:**

Peter Burnett AM - President	Michael Burke - Executive Member
Mark Robertson OAM - Metropolitan Vice President	Matt Nikakis - Executive Member
David Canny - Country Vice President	Peter Williams - Executive Member
Paul Stocks - Honorary Treasurer	John Payne - Trustee
David Curry - Honorary Minute Secretary	Andrew Clark - Trustee
Greg Moore - Accommodation Division	Matt Mullins - Trustee

**The names of the Executive Committee Members in office from 9 October 2018 to 30 June 2019 were:**

David Canny - President	Rachel Checinski - Executive Member
Mark Robertson OAM - Metropolitan Vice President	Matt Nikakis - Executive Member
Andrew Clark - Country Vice President	Peter Williams - Executive Member
Paul Stocks - Honorary Treasurer	Mark O'Reilly - Executive Member
David Curry - Honorary Minute Secretary	Ray Sharawara - Executive Member
Tracy Atherton - Accommodation Division	Matt Mullins - Executive Member
Ben Sington - Accommodation Division	

**The names of the Council Members in office from 1 July 2018 to 9 October 2018 were:**

Melanie Aldred	Warwick Hunter	Michael Palmer
Peter Archbold	Rachel Jones	Tony Parsons
Keith Barrett	Andrew Kastoras	Troy Patterson
Robbie Beaton	Gary Kirwan	John Payne
Bill Bell	Ian Ladgrove	Tom Payne OAM
Sam Benjamin	Duncan Laidlaw	David Perry
Ross Blair-Holt	Ian Larkin	Cameron Price
Jackie Booth	Andrew Lethlean	Danny Quinlan
Andrew Brown	Garry Lewis	George Ramia
Michael Burke	Dennis Madden	Alexander Robertson OAM
Peter Burnett AM	Mark Marantelli	Mark Robertson OAM
David Canny	Bruce J Mathieson	Michael Robertson
Ian Chapman	Peter McIntyre	Jim Ryan
Rachel Checinski	Anthony Molan	David Shannon
Andrew Clark	Greg Moore	Ray Sharawara
Dan Cronin	Matt Mullins	Patrick Sheehan
David Curry	Paul Mulquiny	Ben Sington
Matt Darcy	Nick Murray	Paul Stocks
Richard Davis	Stuart Naismith	Bernie Taylor
Robert Dawson	Andrew Needham	John Taylor
Shaun D'Cruz	Ros Newsham	Darren Thomas
Ray Dodd	John Nicholson	Dave Tomsic
Peter Doyle	Andrew Nikakis	Sam Tresise
Mark Ellis	Carolyn Nikakis	John Upham
Sally Gebert	Matthew Nikakis	Peter Williams

Michael Hickey  
Fergus Horan  
Peter Houghton  
Bailey Hunter  
Paul Hunter

Con Nikitas  
Paul O'Brien  
Russell O'Brien  
Bob O'Kane  
Mark O'Reilly

Gary Wilson  
Nick Zurcas

**The names of the Council Members in office from 9 October 2018 to 30 June 2019 were:**

Melanie Aldred  
Peter Appleby  
Peter Archbold  
Tracy Atherton  
Keith Barrett  
Robbie Beaton  
Bill Bell  
Sam Benjamin  
Ross Blair-Holt  
Jackie Booth  
Andrew Brown  
Michael Burke  
Peter Burnett AM (ceased office  
May 2019)  
David Canny  
Rachel Checinski  
Andrew Clark  
Dan Cronin  
Chelton Crow  
David Curry  
Matt Darcy  
Richard Davis  
Mark Ellis  
Sally Gebert  
Pat Glenane  
Michael Hickey  
Peter Houghton  
Bailey Hunter

Paul Hunter  
Rachel Jones  
Gary Kirwan  
Mitchell Koroneos  
Duncan Laidlaw  
Andrew Lethlean  
Garry Lewis  
Dennis Madden  
Mark Marantelli  
Bruce J Mathieson  
Anthony Molan  
Matt Mullins  
Paul Mulquiny  
Nick Murray  
Stuart Naismith  
Andrew Needham  
Ros Newsham  
John Nicholson  
Andrew Nikakis  
Matthew Nikakis  
Con Nikitas  
Paul O'Brien  
Russell O'Brien  
Bob O'Kane  
Mark O'Reilly  
Kate O'Sullivan  
Michael Palmer  
Tony Parsons

Troy Patterson  
John Payne  
Tom Payne OAM  
John Resic  
Cameron Price  
Danny Quinlan  
Alexander Robertson OAM  
Mark Robertson OAM  
Michael Robertson  
David Shannon  
Ray Sharawara  
Patrick Sheehan  
Jonathon Sherren  
Ben Sington  
Antony Spielvogel  
Stuart Steele  
Paul Stocks  
Bernie Taylor  
John Taylor  
Darren Thomas  
Dave Tomsic  
Sam Tresise  
John Upham  
Annette Verhoeff  
Peter Williams  
Gary Wilson  
Nick Zurcas  
Mario Volpe

## **OPERATING REPORT (continued)**

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

The number of Branch members as at 30 June 2019 was 795

The number of Branch employees as at 30 June 2019 was nil.

Any member owing any fees, fines, levies or dues longer than two months after they first become due shall be unfinancial. No unfinancial member shall be eligible to nominate or be nominated for any office, vote in any election or plebiscite, attend or vote at any meeting of members and by resolution of the Council may be refused entry to the Association's premises.

Under rule 32 of the Association's federal rules, a Member of the Association may resign from membership by written notice addressed and delivered to the Branch Secretary of the Branch of which he is a member.

Mark Robertson holds a position of Director of HostPlus Pty Ltd, a superannuation entity. Mark Robertson was a committee member of the Association.

The surplus of the year amounted to \$NIL (2018: NIL). During the period total subscription revenue remained consistent with the prior year.

The financial records of the reporting unit have been kept, as far as possible, in a consistent manner to each of the other reporting units of the organisation.

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

The principal activity of the Association during the financial year was to provide membership services to members of the Association. An administration levy is paid to the Australian Hotels and Hospitality Association Inc. This levy represents the surplus funds received from members subscriptions available to fund the activities of the Australian Hotels and Hospitality Association Inc.

## **OPERATING REPORT (continued)**

AHA (Vic) Statement of Performance 2018/19

### **Overview**

The overarching performance priority for 2018/19 for the Australian Hotels Association (Victoria) was the delivery of professional administration to effectively service and advance the interests of members whilst operating in accordance with the Fair Work (Registered Organisations) Act 2009.

### **Strategic Objectives**

In accord with the approved 2018/19 Business Plan, the strategic objectives of AHA (Vic) were to:

- 1) Protect , promote and advance the interests and rights of members;
- 2) Uphold and promote the quality, integrity and reputation of the hotel industry;
- 3) Provide timely, effective and value-adding services to members;
- 4) Create a supportive forum for the new generation of publicans to network, discuss challenges and voice concerns which may inform specific lobbying efforts;
- 5) Enhance the diversity of the AHA(Vic) Executive Committee and Council by creating and maintaining an environment that values a varied range of views, knowledge and experiences that can be leveraged to maximise service delivery capabilities;
- 6) Develop and maintain value-adding commercial partnerships with key industry stakeholders to the benefit of members and such partners;
- 7) As an organisation, achieve best practice in administration within the industry association sector, and
- 8) Maintain a position of relevance to forward-thinking non-members, the next generation of AHA members.

Strategic objectives were pursued and achieved through:

- 1) Maintaining effective working relationships with the Daniel Andrews' State Labor Government and the Michael O'Brien (Matthew Guy)/ Peter Walsh Coalition State Opposition to ensure that appropriate attention and regard was paid to pub and hotel interests in policy development, legislation and program implementation;
- 2) Establishing and maintaining appropriate working relationships across all relevant Ministerial offices, Government Departments, regulatory agencies and enforcement bodies to enable and facilitate effective and advocacy in the interests of pubs and hotels;
- 3) Continuing promotion of the need for a policy and program agenda by the State Government that facilitates responsible innovation and growth with a particular focus on regulatory reform and "red-tape" reduction;
- 4) Active pursuit of reasonable workplace relations reforms in conjunction with the AHA National program for on-going reform of the Hospitality (Industry General) Award;
- 5) Provision of representation and advocacy services on behalf of Victoria's accommodation hotels through Tourism Accommodation Australia (Vic) – TAA(Vic) – directed to issues management and initiatives to advance the interests of member hotels;

- 6) Conducting a program of contemporary and relevant AHA (Vic) member events to enhance business development and performance at a venue level and to provide networking opportunities for commercial partners;
- 7) Undertaking measured engagement with various media representatives and outlets to promote pubs and hotels as safe, affordable and first-class licensed hospitality venues and destinations and, when appropriate, to respond to topical issues, and
- 8) Utilising all available means and networks to achieve real outcomes to advance members' interests.

## **1. Delivering outcomes to members' advantage**

### **(a) Liquor-related**

- (i) Constructive and effective dialogue has been maintained with both the State Government and Opposition such that venue-based legislative and regulatory interventions including late night "lock-outs" and reduced trading hours continue to be rejected as inappropriate and unwarranted in Victoria;
- (ii) Effective engagement with the Department of Justice and Community Safety and the Minister responsible for Liquor Regulation to ensure that the Phase 2 review of the Liquor Control Reform Act 1998, particularly directed to further addressing family violence, has appropriate regard to pub and hotel interests and does not impose additional licensee obligations and regulatory burdens;
- (iii) Working closely with AHA National to ensure that the Federal Government's National Alcohol Strategy 2019/2026 recognises the considerable gains that have been made in recent years in addressing underage drinking and the abuse of alcohol in Australia, and in advocating against taxation
- (iv) and price-based "whole of population" interventions whilst supporting targeted evidence-based initiatives;
- (v) Continuing advocacy to the State Government :
  - Opposing the actions of the Victorian Commission for Gambling and Liquor Regulation (VCGLR) in seeking to significantly extend the application of security and/or crowd controller licence conditions without appropriate regard to the activities conducted on the premises;
  - Seeking a review of the risk-based licence fee scheme directed to abolishing the application of the "venue capacity multiplier" to the compliance history risk fee in assessing the annual licence renewal fee on the basis that it is unreasonable, inequitable and a disproportionate penalty;
  - Confirming AHA(Vic)'s support of the State Government in continuing to prohibit the licensing of petrol stations , drive-in cinemas, milk bars, convenience stores and mixed businesses, whilst also highlighting concerns regarding the delivery of packaged liquor by "fast food" outlets;
  - Opposing the introduction of a Container Deposit Scheme in Victoria having regard to the cost and logistical issues

- evident in such a scheme in NSW, whilst supporting continuing investment in road-side collection services;
- Continuing to monitor the implementation of the Environment Protection Act 2018 and the implications for pubs and hotels in respect of venue entertainment noise provisions, and
- Maintaining a close watching brief on alcohol-related regulatory developments across Australia and in relevant international jurisdictions, particularly in respect of minimum alcohol pricing policies in the Northern Territory and the United Kingdom.

**(b) Gaming and Gambling-related**

- (i) Effective and timely finalisation of the allocation and issue of post-2022 gaming entitlements to gaming operators being the culmination of a sustained six (6) year advocacy effort by AHA(Vic);
- (ii) Directly responding to proposed gaming-related amendments to local government planning schemes by a number of Councils and Shires seeking to extend their control over gaming venues, including appearances by legal counsel on behalf of affected members at related Planning Panel hearings;
- (iii) Working with all stakeholders to facilitate the implementation of ticket-in/ticket-out technology on venue-based gaming machines in Victoria;
- (iv) Active engagement with the VCGLR, the Department of Justice and Community Safety and the Office of the Minister for Gaming in respect of the review of the Gaming Code of Conduct;
- (v) Advocacy to the State Government in respect of support for the introduction of a point of consumption tax applying to wagering conducted in Victoria, and highlighting the need for enhanced oversight by the VCGLR of Intralot Gaming Services in the provision of monitoring services to gaming venues;
- (vi) Submissions to the State Government in regard to Keno re-licensing arrangements and wagering and betting re-licensing arrangements, and
- (vii) Provision of input to the review of the decision-making guidelines under the VCGLR Act in relation to applications for liquor licenses to trade after 1:00am
- (viii) Continuing discussions with Tabcorp highlighting the financial impact of SkyChannel racing vision charges on Victoria's PubTab venues and seeking a more equitable charging regime that has regard to the increasing free-to-air availability of feature thoroughbred racing events.

**(c) Workplace Relations – related**

- (i) Continuing to provide high quality workplace relations support, service and advice to all AHA(Vic) and TAA(Vic) members, including visitation to members for award awareness and other day to day employment – related areas of concern;

- (ii) Support to members regarding unfair dismissal, adverse action/general protection claims, issue resolution and related issues;
- (iii) Strategic workplace structure reviews and restructuring support at members' request;
- (iv) Support to members in respect of Fair Work Ombudsman matters, including alleged underpayment of entitlements;
- (v) Continuing to provide member briefings and seminars addressing current and emerging issues;
- (vi) Working with Migration Agent commercial partners to facilitate advice to members on migration visa issues;
- (vii) Working with AHA(National) and other Branches on the national workplace relations reform agenda;
- (viii) Advocating in respect of the Victorian Long Service Leave Act 2018, with particular regard to obtaining flexibility in the taking of long service leave to avoid excessive accrual of liabilities;
- (ix) Providing input into the review of the Hospitality Industry (General) Award 2010 as part of the plain English review, and
- (x) Further development of tools and resources to assist members in meeting their workplace-related compliance obligations.

**d) Tourism Accommodation Australia (Victoria)**

Continued to provide a range of value adding services to Victorian hotels and accommodation providers through Tourism Accommodation Australia (Victoria), including:

- Encouraged collaboration between senior hoteliers on salient industry issues and opportunities, through hosting regular industry updates, outlining activities undertaken by TAA (Vic) to protect and promote their interests.
- Nurtured existing and developed new relationships with key industry stakeholders, including Visit Victoria, Melbourne Convention Bureau, Arts Centre Melbourne, Melbourne Convention and Exhibition Centre, Tennis Australia, Australian Grand Prix Corporation, Melbourne Airport, Melbourne City Council, Victoria Racing Club and Marriner Group, to provide them with a platform to engage with members and discuss matters of mutual interest.
- Leveraged relationships with, and access to, prominent industry leaders, including parliamentarians with relevant portfolio responsibilities, to deliver boardroom lunches that addressed salient issues for accommodation hoteliers.
- Lobbied all levels of government to progress key issues, including follow up advocacy and representation regarding proposed 'next steps' to address regulatory imbalances that still exist between short stay and traditional hotel accommodation providers; represented industry on proposed changes to the GST Act to capture OTAs who supply rights to use commercial accommodation; provided input into TAA's submissions on a Federal Government review of the Vocational Education and Training System, a 'Tackling the Black Economy' submission, outlining a proposed reporting regime for the sharing economy, and a Commercial Buildings Disclosure scheme submission, regarding proposed compliance for hotels, with regard to building energy ratings.



- TAA (Vic) also continued to reinforce the importance of longer term (in excess of two years) funding for Visit Victoria, with the State Government, given the need for a strong pipeline of new business and leisure visitors to Victoria
  - This being particularly important, given the level of investment in the development of new, and enhancement of existing hotel infrastructure, predominantly in Melbourne, currently being undertaken by many TAA (Vic) members.
- Engaged with members across a range of mediums, including electronic newsletters and bulletins, relevant updates on social media channels, magazine articles, presentation and summation of industry relevant reports to ensure they remained conversant with relevant industry issues.
- Continued to deliver a range of topical briefings relevant to specific hotel departmental staff, including Directors of Sales and Marketing, Human Resources and Financial Controllers.
  - Also continued the provision of tailored management development training to emerging hotel leaders, to ensure these members were able to come together, share experiences and build their knowledge and skills.
- Developed and delivered specialist workshops and seminars to outline current industry trends and performance metrics, including the TAA (Vic) Hotel Market Update and TAA (Vic) Energy Seminar, detailing new technology that assists hoteliers monitor and manage their energy spend.
- Given the projected growth in demand for employees to work in the hospitality industry, following further discussions with Talent Taskforce representatives, TAA (Vic) commenced development of a “Hotel Careers App” to outline the credibility of our industry to prospective employees and key influencers (like parents, teachers and careers advisors).
  - The App will be an important information repository for a range of stakeholders, looking to appreciate the breadth of employment opportunities available within our industry.

**e) General**

- (1) Active engagement with the Victorian Labor Party and the Victorian Liberal/Nationals Coalition in the lead-up to the November 2018 State Election, including the canvassing of the AHA(Vic) 2018/2022 Policy Agenda;
- (2) Through the leadership of AHA National, engagement with the Australian Labor Party and the Federal Liberals and Nationals in the lead-up to the May 2019 Federal Election;
- (3) On-going discussion and negotiation with APRA/One Music to achieve an equitable regime for the charging of fees for music in licensed venues, and
- (4) Engagement with AHA(NSW) with a view to entering into a power purchasing agreement to the benefit of members.

**2. Governance and Accountability**

- (a) All regulatory, reporting and disclosure requirements of the Fair Work Commission, the Registered Organisations Commission, the Australian Electoral Commission and Consumer Affairs Victoria were satisfied;

- (b) AHA(Vic) Council and Executive Committee elections were conducted in September/October 2018 under the supervision of the Registered Organisations Commission and the Australian Electoral Commission;
- (c) Incoming Executive Committee members undertook the required Registered Organisations Commission-approved financial management training;
- (d) Enhanced "Disclosure of Interests" procedures were implemented by the Executive Committee consistent with the Registered Organisations Commission Guidelines;
- (e) Action was taken to bring donations to Victorian political parties in line with the amendments to the Victorian Electoral Act 2002 in respect of limits on and the reporting of donations;
- (f) AHA(Vic) and AHHA Inc. insurance arrangements and coverage were reviewed to ensure that the assets and business operations of the business are adequately protected, and
- (g) The Executive Committee undertook a review of "HotelCare" management and reporting arrangements.

### **3. Membership of Government Boards, Committees and Working Parties**

- Ministerial Liquor Control Advisory Council and various related working parties;
- Responsible Gambling Ministerial Advisory Council and related working parties;
- Ministerial Live Music Roundtable, and
- Board of Visit Victoria

### **4. Submissions were made in response to Federal and State Government proposals and Discussion Papers**

- Review of Liquor Control Reform Act 1998;
- Development of the Federal National Alcohol Strategy 2019/2026;
- Keno re-licensing arrangements;
- Wagering and betting re-licensing arrangements, and
- EPA review of SEPP N2 – control of music noise

### **5. Provision of a range of events, information and education programs to members across Victoria**

- Divisional meetings, "Pubs, Pots & Profits" forums and dinners, "Hotels & Hashtags", Gaming Forums and an extensive range of workplace relations and special interest seminars;
- "Pubovation" tour to NSW;
- Progressive Hospitality Network Study Tour to USA National Restaurant Association Conference;
- Attendance at VCGLR Liquor forums and Accords across Victoria;
- AHA(Vic) Women's Network functions;

- Regular member e-mails and Bulletins alerting members to issues and opportunities, and
- Provision of AHA(Vic) Food Safety Template and The AHA(Vic) Liquor Licensing Compliance Kit

**6. Continuing pursuit of performance and efficiency opportunities by AHA(Vic) Administration**

- (a) Maintaining appropriate and effective governance practices;
- (b) Ongoing review of office structure and systems to optimise efficiency and to increase output;
- (c) Continuing investment in staff skill and culture training directed to fostering an enviable team culture with sustained performance;
- (d) Operating within the approved budget and in accord with the Business Plan;
- (e) Encouraging members of the AHA(Vic) team to actively address member issues and, where appropriate, present these solutions to the wider membership;
- (f) Enhanced emphasis on departmental accountability including budgetary implications of pursuing specific strategic goals;
- (g) Investment in a bespoke membership database (membership 360) designed to encourage greater member and commercial partner engagement through targeted communications;
- (h) Continuing focus on recruitment and retention of key staff resources in priority functions e.g. recruitment of Kathryn Zammit (Workplace Relations) and Richard Hinman (Communications), and
- (i) Renovation of open-plan administrative office area directed to encouraging creative thinking while benefitting from a collaborative approach

President:



David Canny

Dated this 3rd day of September 2019

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

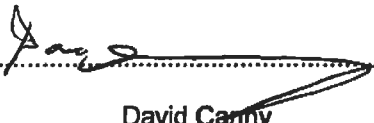
**COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE  
2019**

On the ~~3rd~~ of September 2019 the Committee of Management of the Australian Hotels Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

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 Commissioner duly made under section 272 of the RO Act has been provided to the member or 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.

President: .....  .....

David Canny

Treasurer: .....  .....

Paul Stocks

Dated this *3rd* day of *September* 2019

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE  
2019**

	Notes	2019	2018
		\$	\$
<b>Revenue</b>			
Membership subscription		1,192,265	1,129,143
Capitation fees and other revenue from another reporting unit	3A	-	-
<b>Total revenue</b>		<u>1,192,265</u>	<u>1,129,143</u>
<b>Other Income</b>			
Grants and/or donations	3E	-	-
Revenue from recovery of wages activity	3G		
<b>Total other income</b>		<u>-</u>	<u>-</u>
<b>Total income</b>		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Employee expenses	4A	-	-
Capitation fees and other expense to another reporting unit		-	-
AHA National Office contributions	4B	239,276	239,276
Administration expenses	4D	886,289	823,167
Audit fees	4J	1,700	1,700
Honorariums	4A	65,000	65,000
<b>Total expenses</b>		<u>1,192,265</u>	<u>1,129,143</u>
<b>Surplus (deficit) for the year</b>		<u>-</u>	<u>-</u>
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss			
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

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

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade and other receivables		-	-
<b>Total current assets</b>		-	-
<b>Non-current Assets</b>			
<b>Total non-current assets</b>		-	-
<b>Total assets</b>		-	-
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables		-	-
Other payables		-	-
Employee provisions		-	-
<b>Total current liabilities</b>		-	-
<b>Non-current Liabilities</b>			
Employee provisions		-	-
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>		-	-
<b>EQUITY</b>			
<b>Total equity</b>		-	-

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

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

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

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2017</b>		-	-	-
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2018</b>		-	-	-
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
<b>Closing balance as at 30 June 2019</b>		-	-	-

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



**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
		\$	\$
	Notes		
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	9A	1,304,992	1,242,057
Interest		-	-
Other		-	-
<hr/>			
<b>Cash used</b>			
Honorariums		65,000	65,000
Suppliers		1,870	1,870
Payment to other reporting units/controlled entity(s)	9A	1,238,121	1,175,187
<b>Net cash from (used by) operating activities</b>		<hr/>	<hr/>
		-	-
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<hr/>			
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<hr/>	<hr/>
		-	-
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<hr/>			
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		<hr/>	<hr/>
		-	-
<b>Net increase (decrease) in cash held</b>		<hr/>	<hr/>
		-	-
Cash & cash equivalents at the beginning of the reporting period		<hr/>	<hr/>
		-	-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<hr/>	<hr/>
		-	-

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

## Index to the notes of the financial statements

<b>Note 1</b>	<b>Summary of significant accounting policies</b>
<b>Note 2</b>	<b>Events after the reporting period</b>
<b>Note 3</b>	<b>Income</b>
<b>Note 4</b>	<b>Expenses</b>
<b>Note 5</b>	<b>Current assets</b>
<b>Note 6</b>	<b>Current Liabilities</b>
<b>Note 7</b>	<b>Provisions</b>
<b>Note 8</b>	<b>Other specific disclosures</b>
<b>Note 9</b>	<b>Cash flow</b>
<b>Note 10</b>	<b>Related party disclosures</b>
<b>Note 11</b>	<b>Key management personnel</b>
<b>Note 12</b>	<b>Administration of financial affairs by a third party</b>
<b>Note 13</b>	<b>Section 272 Fair Work (Registered Organisations) Act 2009</b>
<b>Note 14</b>	<b>Association details</b>

## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

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

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

### **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 are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

### **1.4 New Australian Accounting Standards**

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

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

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

- AASB 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and other amendments, which clarify certain requirements in:
  - AASB 12 Disclosure of Interests in Other Entities – clarification of scope
  - AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value
  - AASB 140 Investment Property – change in use

The application of this amendment did not have an impact on the Australian Hotels Association (Victoria Branch).

- AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations*, which clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

The application of this amendment did not have an impact on the Australian Hotels Association (Victoria Branch).

## Impact on adoption of AASB 9

### (a) Initial application

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

The Australian Hotels Association (Victoria Branch) has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Australian Hotels Association (Victoria Branch) has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings and other components of equity as at 1 July 2018. The nature and effect of the changes as a result of adoption of AASB 9 are as follows:

Impact on the statement of financial position (increase/(decrease)):

	Ref adjustments	1 July 2018 \$
Classification and measurement	(i)	-
Impairment	(ii)	-
Other adjustments	(iii)	-
	-	-

	Ref adjustments	1 July 2018 \$
<b>Assets</b>		
Trade and other receivables	(ii)	-
Investments in associates	(iii)	-
Other non-current assets	(ii)	-
<b>Total assets</b>		
Total adjustments on equity		
Retained earnings	(i), (ii) (iii)	-
Other components of equity	(i), (ii) (iii)	-

The nature of these adjustments are described below.

#### (i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Australian Hotels Association (Victoria Branch)'s business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Australian Hotels Association (Victoria Branch)'s business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Australian Hotels Association (Victoria Branch).

- Trade receivables and other non-current financial assets (i.e., Loan to a related party) previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

- Quoted debt instruments previously classified as available-for-sale (AFS) financial assets are now classified and measured as debt instruments at fair value through OCI as they failed the SPPI test.
- Equity investments in non-listed companies previously classified as AFS financial assets are now classified and measured as equity instruments designated at FVTOCI. The Australian Hotels Association (Victoria Branch) elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- Listed equity investments previously classified as AFS financial assets are now classified and measured as financial assets at fair value through profit or loss.

The Australian Hotels Association (Victoria Branch) has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Australian Hotels Association (Victoria Branch)'s financial liabilities.

In summary, upon adoption of AASB 9, the Australian Hotels Association (Victoria Branch) applied the following required or elected reclassifications:

1 July 2018	AASB 9 measurement category			
	Fair value through profit or loss		Amortised cost	Fair value through OCI
	\$	\$	\$	\$
<b>AASB 139 measurement category</b>				-
<b>Loans and receivables</b>	-	-	-	-
<b>Available for sale</b>	-	-	-	-
	-	-	-	-

#### (ii) Impairment loss

The adoption of AASB 9 has fundamentally changed the Australian Hotels Association (Victoria Branch)'s accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the Australian Hotels Association (Victoria Branch) to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets, i.e. those held at amortised cost and at FVTOCI.

Upon adoption of AASB 9 the Australian Hotels Association (Victoria Branch) was not required to recognise additional impairment on the trade receivables and loan receivable from related party.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9.

	Allowance for impairment under AASB 139 as at 30 June 2018	Re-measurement	ECL under AASB 9 as at 1 July 2018
	\$	\$	\$
Trade receivables	-	-	-
Loan to a related party	-	-	-
	-	-	-

### (iii) Other adjustments

No other items of the financial statements were impacted by the adoption of AASB 9.

### ***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Australian Hotels Association (Victoria Branch) include:

#### **AASB 16 Leases (AASB 16)**

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Australian Hotels Association (Victoria Branch) plans to adopt AASB 16 on the required effective date 01 July 2018 using the full retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

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

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

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Australian Hotels Association (Victoria Branch) plans to adopt AASB 15 on the required effective date 01 July 2018 of using full retrospective method.

During the financial year ended 30 June 2019, the Australian Hotels Association (Victoria Branch) performed a preliminary assessment of AASB 1058 and 15.

#### ***AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation***

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments have no impact on the financial statements of the Australian Hotels Association (Victoria Branch).

#### ***AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement***

The amendments to AASB 119 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:



- Determine current service cost for the remainder of the period using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Australian Hotels Association (Victoria Branch).

#### ***AASB 2017-7 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation***

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

The amendments apply retrospectively and are effective from 1 January 2019, with early application permitted.

Since the Australian Hotels Association (Victoria Branch) does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

#### ***AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle***

These improvements include:

- **AASB 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments are currently not applicable to the Group but may apply to future transactions.

- **AASB 123 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

Amendment applies for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

The amendments are not expected to have any impact on the financial statement of Australian Hotels Association (Victoria Branch).

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

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

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, the [reporting unit] 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**

Australian Hotels Association (Victoria Branch) 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 Revenue**

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

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

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

Donation income is recognised when it is received.

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 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.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.8 Government grants**

Government grants are not recognised until there is reasonable assurance that the Australian Hotels Association (Victoria Branch) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australian Hotels Association (Victoria Branch) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Australian Hotels Association (Victoria Branch) should purchase, construct otherwise acquire non-

current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Australian Hotels Association (Victoria Branch) with no future related costs are recognised in profit or loss in the period in which they become receivable.

## **1.9 Gains**

### ***Sale of assets***

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

## **1.10 Capitation fees and levies**

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

## **1.11 Employee benefits**

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

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

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

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

Provision is made for separation and redundancy benefit payments. The Australian Hotels Association (Victoria Branch) 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.

## **1.12 Leases**

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

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

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

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

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

## **1.13 Borrowing costs**

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

## **1.14 Cash**

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

## **1.15 Financial instruments**

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

## **1.16 Financial assets**

### **Initial recognition and measurement**

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian Hotels Association (Victoria Branch)'s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the [reporting unit] 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 OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

#### **Subsequent measurement**

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

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

#### **Financial assets at amortised cost**

The Australian Hotels Association (Victoria Branch) measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Australian Hotels Association (Victoria Branch)'s financial assets at amortised cost includes trade receivables and loans to related parties.

### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The [Australian Hotels Association (Victoria Branch)] 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) the Australian Hotels Association (Victoria Branch) has transferred substantially all the risks and rewards of the asset, or
  - b) the Australian Hotels Association (Victoria Branch) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Australian Hotels Association (Victoria Branch) 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, the Australian Hotels Association (Victoria Branch) 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**

#### **(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Australian Hotels Association (Victoria Branch) applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Australian Hotels Association (Victoria Branch) does not track changes in credit risk, but instead recognises a loss allowance based on lifetime

ECLs at each reporting date. The Australian Hotels Association (Victoria Branch) 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, the Australian Hotels Association (Victoria Branch) recognises an allowance for expected credit losses 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 the Australian Hotels Association (Victoria Branch) expects to receive, discounted at an approximation of the original effective interest rate.

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).

The Australian Hotels Association (Victoria Branch) considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Australian Hotels Association (Victoria Branch) may also consider a financial asset to be in default when internal or external information indicates that the Australian Hotels Association (Victoria Branch) 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.

## **1.17 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.

The Australian Hotels Association (Victoria Branch)'s financial liabilities include trade and other payables.

### **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.

## **1.18 Contingent liabilities and contingent assets**

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

## **1.19 Taxation**

The Australian Hotels Association (Victoria Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

Cash flows are included in the 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 Australian Taxation Office is classified within operating cash flows.

## **1.20 Going concern**

Australian Hotels Association (Victoria Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Australian Hotels Association (Victoria Branch) has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Hotels Association (Victoria Branch)

2019	2018
\$	\$

**Note 3 Income**

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

**Capitation fees:**

<b>Subtotal capitation fees</b>	-	-
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**Other revenue from another reporting unit:**

<b>Subtotal other revenue from another reporting unit</b>	-	-
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<b>Total capitation fees and another revenue from other reporting unit</b>	-	-
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**Note 3B: Levies**

<b>Total levies</b>	-	-
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**Note 3C: Investment income**

**Interest**

Deposits	-	-
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Loans	-	-
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<b>Total investment income</b>	-	-
--------------------------------	---	---

	2019	2018
	\$	\$
<b>Note 3D: Rental revenue</b>		
Properties	-	-
Other	-	-
<b>Total rental revenue</b>	<u>-</u>	<u>-</u>

<b>Note 3E: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

<b>Note 3F: Net gains from sale of assets</b>		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net gain from sale of assets</b>	<u>-</u>	<u>-</u>

<b>Note 3G: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<u>-</u>	<u>-</u>

<b>Note 3H: Revenue</b>		
Membership contributions	1,192,265	1,129,143
Other	-	-
	<u>1,192,265</u>	<u>1,129,143</u>

	2019	2018
	\$	\$

## **Note 4 Expenses**

### **Note 4A: Employee expenses**

<b>Holders of office:</b>		
Wages and salaries	-	-
Honorariums	65,000	65,000
Superannuation	-	-

Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>65,000</b>	<b>65,000</b>

**Employees other than office holders:**

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>-</b>	<b>-</b>
<b>Total employee expenses</b>	<b>65,000</b>	<b>65,000</b>

An honorarium is paid to office holders Mr Peter Burnett, Mr Mark Robertson and Mr David Canny and Mr Andrew Clark.

**Note 4B: Capitation fees and other expense to another reporting unit**

<b>Capitation fees</b>		
AHA National Office	239,276	239,276
<b>Subtotal capitation fees</b>	<b>239,276</b>	<b>239,276</b>

**Other expense to another reporting unit**

<b>Subtotal other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>-</b>	<b>-</b>

**Note 4C: Affiliation fees**

<b>Total affiliation fees/subscriptions</b>	<b>-</b>	<b>-</b>
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<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

**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	-	-
Contractors/consultants	-	-
Property expenses	-	-
Office expenses	-	-
Information communications technology	-	-

Administration Fees – Australian Hotels and Hospitality Association Inc.	886,289	823,167
<b>Subtotal administration expense</b>	<b>886,289</b>	<b>823,167</b>

The Australian Hotels and Hospitality Association Incorporated (AHHA Inc.) being an entity to the Associations Incorporation Reform Act 2012, is contracted by the Australian Hotels Association (Victoria Branch) ((AHA) Vic)) to provide services to its members.

The administration fees represent the surplus fund received from member's subscriptions available to fund the activities of the Australian Hotels and Hospitality Association Inc.

Members of the AHA (Victoria Branch) are eligible for membership of AHHA Inc.

AHA (Victoria Branch) did not incur any of the specified expenditure detailed in item 11 of Reporting Guidelines for Section 253 of Schedule 1 of the Fair Work (Registered Organisations) Act 2009 except as specified above.

Office holders are only paid honorarium and do not receive wages, salary, leave, super or other entitlements or provisions.

**Operating lease rentals:**

Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>-</b>	<b>-</b>

**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	-	-

<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
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**Note 4F: Depreciation and amortisation**

**Depreciation**

Land & buildings	-	-
Property, plant and equipment	-	-

<b>Total depreciation</b>	<b>-</b>	<b>-</b>
---------------------------	----------	----------

**Amortisation**

Intangibles	-	-
<b>Total amortisation</b>	-	-
<b>Total depreciation and amortisation</b>	-	-

	2019	2018
	\$	\$
<b>Note 4G: Finance costs</b>		
Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
<b>Total finance costs</b>	-	-

**Note 4H: Legal costs**

Litigation	-	-
Other legal costs	-	-
<b>Total legal costs</b>	-	-

**Note 4I: Write-down and impairment of assets**

Asset write-downs and impairments of:

Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write-down and impairment of assets</b>	-	-

**Note 4J: Auditor's Fees**

Remuneration of the auditor of the Association for:

- Financial Statement Audit Services	1,700	1,700
	<b>1,700</b>	<b>1,700</b>

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

**Note 4K: Other expenses**

Penalties - via RO Act or the *Fair Work Act 2009*

<b>Total other expenses</b>	-	-
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	2019	2018
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	-	-
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<u>-</u>	<u>-</u>
<b>Note 5B: Trade and other receivables</b>		
<b>Receivables from other reporting unit[s]</b>	<u>-</u>	<u>-</u>
<b>Total receivables from other reporting unit[s]</b>	<u>-</u>	<u>-</u>
<b>Less allowance for expected credit losses</b>		
<b>Total allowance for expected credit losses</b>	<u>-</u>	<u>-</u>
<b>Receivable from other reporting unit[s] (net)</b>	<u>-</u>	<u>-</u>
<b>Other receivables:</b>		
GST receivable	-	-
Other	-	-
<b>Total other receivables</b>	<u>-</u>	<u>-</u>
<b>Total trade and other receivables (net)</b>	<u>-</u>	<u>-</u>
<b>Note 5C: Other current assets</b>		
<b>Total other current assets</b>	<u>-</u>	<u>-</u>
	2019	2018
	\$	\$

**Note 6 Current Liabilities**

**Note 6A: Trade payables**

Trade creditors and accruals	-	-
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<u>-</u>	<u>-</u>

Payables to other reporting unit[s]  
 Subtotal payables to other reporting unit[s]

	-	-
	-	-

Total trade payables

**Note 6B: Other payables**

Wages and salaries  
 Superannuation  
 Payable to employers for making payroll deductions of membership subscriptions  
 Legal costs  
 Litigation  
 Other legal costs  
 Prepayments received/unearned revenue  
 GST payable  
 Other  
 Total other payables

	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

Total other payables are expected to be settled in:

No more than 12 months  
 More than 12 months

	-	-
	-	-
	-	-

Total other payables

2019                      2018  
 \$                              \$

**Note 7            Provisions**

**Note 7A: Employee provisions**

**Office holders:**

Annual leave  
 Long service leave  
 Separations and redundancies  
 Other

	-	-
	-	-
	-	-
	-	-
	-	-

**Subtotal employee provisions—office holders**

**Employees other than office holders:**

Annual leave  
 Long service leave  
 Separations and redundancies  
 Other

	-	-
	-	-
	-	-
	-	-
	-	-

**Subtotal employee provisions—employees other than office holders**

**Total employee provisions**

	-	-
	-	-



Current	-	-
Non-current	-	-
<b>Total employee provisions</b>	<b>-</b>	<b>-</b>

**Note 8 Other specific disclosures - funds**

**Compulsory levy/voluntary contribution fund – if invested in assets**

**Other fund(s) required by rules**

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

**Note 9 Cash Flow**

**Note 9A: Cash flow information**

Cash inflows	<b>1,304,992</b>	<b>1,242,057</b>
<b>Total cash inflows</b>	<b>1,304,992</b>	<b>1,242,057</b>

Cash outflows		
Australian Hotels and Hospitality Association	<b>1,304,992</b>	<b>1,242,057</b>
<b>Total cash outflows</b>	<b>1,304,992</b>	<b>1,242,057</b>

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

**Note 10 Related Party Disclosures**

**Note 10A: Related party transactions for the reporting period**

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

<b>Expenses paid to Australian Hotels and Hospitality Association Incorporated (AHHA Inc.)</b>	<b>886,289</b>	<b>823,167</b>
--	----------------	----------------

	2019	2018
	\$	\$
<b>Note 11 Key management personnel remuneration for the reporting period</b>		
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	-	-
Annual leave accrued	-	-
Performance bonus	-	-
[other major categories]	-	-
<b>Total short-term employee benefits</b>	<u>-</u>	<u>-</u>
<b>Post-employment benefits:</b>		
Superannuation	-	-
<b>Total post-employment benefits</b>	<u>-</u>	<u>-</u>
<b>Other long-term benefits:</b>		
Long-service leave	-	-
<b>Total other long-term benefits</b>	<u>-</u>	<u>-</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note 11A: Transactions with key management personnel and their close family members**

**Loans to/from key management personnel**

**Other transactions with key management personnel** - -

**Note 12 Administration of financial affairs by a third party**

This disclosure is made in accordance with reporting guideline 19 of the Fair Work Commission reporting guidelines, where administration services are provided to the Registered Organisation by another party.

Where applicable, such disclosure is in accordance with the disclosure requirements of the Australian Accounting Standards, the RO Act and these reporting guidelines.

**Name of entity providing service:** Australian Hotels and Hospitality Association Inc.

**Terms and conditions:** The services are provided on a cost recovery basis.

**Nature of expenses/consultancy service:** The Australian Hotels and Hospitality Association Inc. provides AHA (Victoria Branch) with all administrative and advocacy services.

**Detailed breakdown of revenues collected and/or expenses incurred**

<b>Revenue</b>		
Membership subscription	2,390,666	2,182,933
Capitation fees	886,290	823,167
Levies	777,159	-
Interest	11,314	11,093
Rental revenue	10,536	21,208
Events	520,982	493,364
Other Revenue	14,495	-
<b>Total revenue</b>	<b>4,611,442</b>	<b>3,531,765</b>

<b>Expenses</b>		
Employee expense	1,388,779	1,261,762
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
State Election Levy	784,749	-
Annual General Meeting & Council	188,819	113,330
Travel expenses	40,684	63,928
Administration expenses	-	-
Grants or donations greater than \$1,000	16,464	25,694
Grants or donations less than \$1,000	3,023	4,078
Events and Functions expense	814,632	738,342
Depreciation	142,463	136,470
Amortisation	7,468	-
Finance costs	39,395	44,147
Outsourced Services	338,405	332,829
Occupancy Expenses	198,001	198,415
Hotel Care Costs	367,977	213,949
Legal costs	809	-
Audit fees	29,215	29,255
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Other expenses	241,132	300,095
<b>Total expenses</b>	<b>4,602,015</b>	<b>3,462,591</b>

**Note 13 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 14      Association Details**

The registered office of the association is:

Australian Hotels Association (Victoria Branch)

Level 1, 1 Little Collins Street, Melbourne, VIC 3000

The principal place of business is:

Australian Hotels Association (Victoria Branch)

Level 1, 1 Little Collins Street, Melbourne, VIC 3000

## **AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH)**

**ACN: 052 166 015**

### **OFFICER DECLARATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

I, David Canny, being the President of the Australian Hotels Association, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- receive capitation fees or any other revenue amount from another reporting unit
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- 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 an annual leave provision in respect of holders of office
- have a long service 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 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
- make a payment to a former related party of the reporting unit

Signed by the officer: 

Dated: 3rd September 2019

**AUSTRALIAN HOTELS ASSOCIATION (VICTORIA BRANCH) ACN 052 166 015  
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001 TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION  
(VICTORIA BRANCH)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Date ..... 6th September 2019 .....

Name of Partner .....  .....

MARK P BARSON

Name of Firm Charman Partners

Address Suite 4  
10 - 12 Chapel Street  
Blackburn VIC 3130