



1 March 2017

Mr Graeme Kelly
Branch Secretary
Australian Municipal, Administrative, Clerical and Services Union,
New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities
Branch
Level 7, 321 Pitt Street
Sydney NSW 2000

By e-mail: united@usu.org.au

Dear Mr Kelly

**Australian Municipal, Administrative, Clerical and Services Union,
New South Wales Local Government, Clerical, Administrative, Energy, Airlines &
Utilities Branch
Financial Report for the year ended 30 June 2016 - FR2016/189**

I acknowledge receipt of the amended financial report for the year ended 30 June 2016 for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch (ASU-NSWL). The financial report was lodged with the Fair Work Commission (FWC) on 1 March 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2016 report has been filed, as stated in the FWC letter to the ASU-NSWL dated 22 December 2016, the following should be addressed in the preparation of the next financial report.

1. The full report and Designated Officer's Certificate must be lodged with the FWC within 14 days of the Committee of Management meeting.
2. The reporting unit is to undertake a revaluation of the property located at Unit 6, ACTU Building, Canberra or to clearly disclose to members the reasons for continuing to value the property at cost.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

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

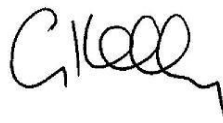
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

I *Graeme Kelly* being the *General Secretary* of the **New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union Branch** certify:

- that the documents lodged herewith are copies of the full report for the **New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union** for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full amended report* was provided to members of the reporting unit on *1 March 2017*; and
- that the full report was presented to a *meeting of the committee of management (Full Executive)* of the reporting unit on *1 March 2017* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Graeme Kelly

Title of prescribed designated officer: General Secretary

Dated: 1 March 2017

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE,
ENERGY, AIRLINES & UTILITIES BRANCH**

ABN 77 278 017 470

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

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AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

OPERATING REPORT

The Branch Executive, being the Management Committee for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch for the financial year ended 30 June 2016.

1. Review of principal activities during the year: The principal operating activities of the Branch continued to be those of industrial activities that are normally carried out by the Trade Union; there are no significant changes in the principal operating activities.

The branch as part of the Union continued to promote workers' rights and campaigned for community support, the introduction of Fair Work, and the recruitment of members to support the Union movement. Despite tough economic times, the branch was able to sustain membership.

2. Financial affairs: During the year there were no significant changes to the financial affairs of the Union.
3. All members have a right to resign from the branch in accordance with Rule 32 and Section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
4. Members holding positions on Superannuation Boards:
 - Member Yasemin Onat continues to hold position as Director on the Board of Energy Industry Superannuation Scheme.
 - Jim Montague as Director of Local Government Superannuation Scheme (LGSS) from October 2013;
 - Member Craig Peate holds the other position of Director of LGSS since October 2012;
 - Member Emma Maiden and John Christopher Joyce hold positions as Directors of Legal Super.
 - Employee Monica Clavijo continued to hold position as Director of CARE Super to March 2016.
5. At the end of the financial year the total number of registered members was 30,550 (2015: 30,946).
6. The Branch does not employ any staff members.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

OPERATING REPORT (Cont'd)

7. The names of the Branch Executive members during the year ended 30 June 2016 were:

Name	Period of Appointment
Stephen Birney	01/07/2015 – 30/06/2016
Sharon Sewell	01/07/2015 – 30/06/2016
Tony Dean	01/07/2015 – 30/06/2016
Mark Gill	01/07/2015 – 30/06/2016
Graeme Kelly	01/07/2015 – 30/06/2016
Russell Woods	01/07/2015 – 30/06/2016
Beverley Spearpoint	01/07/2015 – 30/06/2016
Ross Crawford	01/07/2015 – 30/06/2016
Shane Clapham	01/07/2015 – 30/06/2016
Stephen Mulholland	01/07/2015 – 30/06/2016
Glen McAtear	01/07/2015 – 30/06/2016
Frank Holobowski	01/07/2015 – 30/06/2016
Shane Lummis	01/07/2015 – 30/06/2016
Katerina Tahija	01/07/2015 – 30/06/2016
Larry Freeman	01/07/2015 – 30/06/2016
Brendan Scott	01/07/2015 – 30/06/2016
Annamaria Saglimbeni	01/07/2015 – 30/06/2016
Amanda Pearce	01/07/2015 – 30/06/2016
David Walsh	01/07/2015 – 30/06/2016
Christopher Wellington	01/07/2015 – 30/06/2016
Jeff Wearing	01/07/2015 – 30/06/2016
Katie Gillen	01/07/2015 – 30/06/2016

Signed in accordance with a resolution of the Branch Executive.


.....
GRAEME KELLY
Branch Secretary


.....
STEPHEN BIRNEY
Branch President

15 February 2017

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

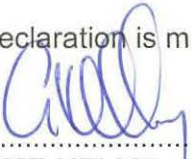
BRANCH EXECUTIVE'S STATEMENT

On 15 February 2017 the Branch Executive of the Australian Services Union passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2016.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 June 2016;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2016 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the Branch or the General Manager of Fair Work Commission under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) during the financial year ended 30 June 2016 the Branch did not participate in any recovery of wages activity.

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


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GRAEME KELLY
Branch Secretary
15 February 2017

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016	2015
		\$	\$
INCOME			
Membership Subscription		43,444	47,882
Interest Income		102	61
Rent Received		79,801	54,247
TUCAR Donations	4	-	698
Contribution received for funding of the Branch		792,423	1,029,667
Financial Support received from other Reporting Units		-	-
TOTAL INCOME		<u>915,770</u>	<u>1,132,555</u>
EXPENDITURE			
Depreciation			
Property, Plant & Equipment		<u>5,733</u>	<u>5,733</u>
Other Expenses			
Employees Expenses		-	-
United Services Union - Service Fee		43,444	47,882
ASU National Office – Capitation Fees		792,423	833,652
Bank Charges		55	64
ACT Property Costs		39,568	17,529
Auditors' Remuneration	9	5,000	5,000
Administration Expenses	5	-	-
		<u>880,490</u>	<u>904,127</u>
TOTAL EXPENDITURE		<u>886,223</u>	<u>909,860</u>
SURPLUS/(DEFICIT) FOR YEAR		29,547	222,695
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>29,547</u>	<u>222,695</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016	2015
		\$	\$
ASSETS			
Current Assets			
Cash & Cash Equivalents	6	104,188	76,524
Trade & Other Receivables	7	<u>271,148</u>	<u>46,142</u>
Total Current Assets		<u>375,336</u>	<u>122,666</u>
Non-Current Assets			
Property, Plant and Equipment	8	<u>133,302</u>	<u>139,035</u>
Total Non-Current Assets		<u>133,302</u>	<u>139,035</u>
TOTAL ASSETS		<u>508,638</u>	<u>261,701</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	10	<u>229,535</u>	<u>12,145</u>
Total Current Liabilities		<u>229,535</u>	<u>12,145</u>
TOTAL LIABILITIES		<u>229,535</u>	<u>12,145</u>
NET ASSETS		<u>279,103</u>	<u>249,556</u>
EQUITY			
Accumulated Surplus		<u>279,103</u>	<u>249,556</u>
TOTAL EQUITY		<u>279,103</u>	<u>249,556</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Accumulated Surplus	Total
Balance at 30 June 2014	26,861	26,861
Surplus for the year	222,695	222,695
Balance at 30 June 2015	<u>249,556</u>	<u>249,556</u>
Surplus for the year	29,547	29,547
Balance at 30 June 2016	<u>279,103</u>	<u>279,103</u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		40,464	52,227
Payment of ASU National Office Capitation Fees		(576,251)	(1,139,237)
Payments to Suppliers		(308,875)	(64,204)
Interest Received		102	61
Rent Received		79,801	54,247
Other Receipts		<u>792,423</u>	<u>1,132,634</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	14(b)	<u>27,664</u>	<u>35,728</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH USED BY INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH USED BY FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE IN CASH		27,664	35,728
CASH AT BEGINNING OF YEAR		<u>76,524</u>	<u>40,796</u>
CASH AT END OF FINANCIAL YEAR	14(a)	<u><u>104,188</u></u>	<u><u>76,524</u></u>

(The attached Notes form part of the financial statements)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-

(As required by the Reporting Guidelines. Item to remain even if 'nil'.)

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch and is in accordance with the Fair Work (Registered Organisations) Act 2009. The Branch is a reporting unit of The Australian Municipal, Administrative, Clerical and Services Union and is an organisation registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

GOING CONCERN AND FINANCIAL DEPENDENCE ON "THE STATE UNION"

The Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch generated a surplus of \$29,547 for the year ended 30 June 2016 (2015: \$222,695) and had net assets of \$279,103 as at 30 June 2016 (2015: \$249,556).

The Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is dependent upon the ongoing financial support of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("The State Union") in order to pay its debts as and when they fall due.

In this regard the Branch entered into a deed with the State Union on the 13 January 2003 which states that "The State Union will pay to the Branch of the Union such sums of money which will enable the Branch of the Union to meet its obligations to pay capitation or other amounts to the Union pursuant to the Rules of the Union. Such capitation or other amounts do not include or create any obligation for the State Union to pay any subscription fee for or on behalf of any member of the Branch of the Union".

The financial statements have been prepared on a going concern basis as the Branch Executives have formed a view that the State Union has the financial capacity to provide such support. During the year \$792,423 (2015: \$1,029,667) was received.

The reporting unit has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

BASIS OF PREPARATION

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is a not-for-profit entity.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BASIS OF PREPARATION (CONT'D)

The financial statements have been prepared on an accruals basis and in accordance with the historical cost, except for the cash flow information and 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.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(a) Revenue

Revenue from contributions are accounted for on a cash basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on an accruals 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.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(b) Income tax

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

(c) Property, Plant and Equipment

Asset Recognition Threshold

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

Cost - Land and Buildings

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

Property is measured using the cost method

Depreciation

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

Depreciation rates applying to each class of depreciable assets are as follows:

Buildings	2 %
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Derecognition

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

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Branch is a not-for-profit organisation.

(e) Trade Receivables

Receivables are recognised at original invoice amounts. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

(f) Goods and Services Tax

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Cash and Cash Equivalents

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

(h) Financial Assets

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

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

Impairment of financial assets

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

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

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

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

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NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL, ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH

periods.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Financial Assets (Cont'd)

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

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

(i) Financial Liability

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

(j) Comparative Figures

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

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**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) 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.

(l) Adoption of new and revised accounting standards

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

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided against early adoption of these Standards. The Branch's assessment of the new and amended pronouncements that are relevant to the Branch but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations (Cont'd)

The Branch Executive anticipate that the adoption of AASB 9 will not have an impact on the Branch's financial instruments.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s);
and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Branch Executives anticipate that the adoption of AASB 15 will not have an impact on the Branch's financial statements.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) New Accounting Standards and Interpretations (Cont'd)

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

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

The main changes introduced by the new Standard include:

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

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

The directors anticipate that the adoption of AASB 16 will not have an impact on the Branch's financial statements.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

(b) Critical judgments in applying the Branch's accounting principles

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

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK COMMISSION**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which reads as follows:

1. A member of a reporting unit or the General Manager of Fair Work Commission may apply to the reporting unit for specified prescribed information relating to the reporting unit to be made available to the person making the application.
2. The application must be in writing and 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).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

	2016	2015
	\$	\$
4. INCOME		
a) Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
b) Levies	-	-
Total levies	<u>-</u>	<u>-</u>
c) Grants or donations		
Grants	-	-
TUCAR Donations	-	698
Total grants or donations	<u>-</u>	<u>698</u>
	2016	2015
	\$	\$
5. EXPENSES		
a) Affiliation fees	-	-
Total affiliation fees/subscriptions	<u>-</u>	<u>-</u>
b) Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Total administration expense	<u>-</u>	<u>-</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

5. EXPENSES (Cont'd)

	2016 \$	2015 \$
c) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>-</u>	<u>-</u>
d) Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>
e) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>
6. CASH AND CASH EQUIVALENTS	\$	\$
Cash at Bank	104,188	76,524
	<u>104,188</u>	<u>76,524</u>
7. TRADE & OTHER RECEIVABLES		
Current		
ASU National Office	47,733	44,218
Contributions in Arrears	2,680	1,298
Sundry Debtors	220,735	626
Receivable from other Reportable Unit	-	-
Less provision for doubtful debts from Reportable Unit	-	-
	<u>271,148</u>	<u>46,142</u>

AUSTRALIAN MUNICIPAL, ADMINISTRATIVE, CLERICAL AND SERVICES UNION

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

8. PROPERTY, PLANT AND EQUIPMENT

Land & Buildings

Unit 6, ACTU Building, Canberra

At Cost	286,665	286,665
Less Accumulated Depreciation	<u>(153,363)</u>	<u>(147,630)</u>

TOTAL PROPERTY PLANT AND EQUIPMENT	<u>133,302</u>	<u>139,035</u>
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MOVEMENTS IN CARRYING AMOUNTS	Land and Buildings	Total
	\$	\$
Balance at 1 July 2015	139,035	144,768
Depreciation	<u>(5,733)</u>	<u>(5,733)</u>
Balance at 30 June 2016	<u>133,302</u>	<u>139,035</u>
	2016	2015
	\$	\$

9. AUDITORS' REMUNERATION

Remuneration of the auditors for:

Audit of the Financial Report	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>

10. TRADE & OTHER PAYABLES

ASU National Office - Capitation Fees	216,172	-
Contributions in Advance	1,327	2,924
United Services Union – Service Fee	7,199	4,221
Other	4,837	5,000
Consideration to Employers for Deductions	-	-
Legal Cost:		
- Litigation	-	-
- Other Legal Matters	-	-
Payable to other reportable Unit	-	-
	<u>229,535</u>	<u>12,145</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

11. FINANCIAL INSTRUMENTS

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

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets		
Cash and cash equivalents	104,188	76,524
Trade and other receivables	271,148	46,142
Total financial assets	375,336	122,666
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	229,535	12,145
Total financial liabilities	229,535	12,145

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch and arises principally from Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch's receivables.

It is Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the branch executive, and these limits are reviewed on a regular basis.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

11. FINANCIAL INSTRUMENTS (Cont'd)

(b) Liquidity risk

Liquidity risk arises from the possibility that Australian Municipal, Administrative, Clerical and Services Union, New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

12. ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

Name of entity providing service: United Services Union
Terms and conditions: Under a Deed of Agreement on
13 January 2003
Nature of expenses/consultancy service: Administration Service

Detailed breakdown of revenues collected and/or expenses incurred:

	2016	2015
	\$	\$
Revenue		
Contribution	43,444	47,882
Total revenue	<u>43,444</u>	<u>47,882</u>
Expenses		
Service Fee	43,444	47,882
Total expenses	<u>43,444</u>	<u>47,882</u>

13. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated. The ultimate controlling entity of the Branch is the Australian Municipal, Administrative, Clerical and Services Union. A related entity the New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union ("United Services Union") or ("The State Union") has the same Management Committee, same members and substantively the same rules as the Branch.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

13. RELATED PARTY TRANSACTIONS (Cont'd)

Transactions with the Ultimate Controlling Entity

- (a) ASU National Office Capitation Fees are disclosed as an expense in the statement of comprehensive income and as a payment in the statement of cash flows.
- (b) ASU National Office Capitation Fees payable are disclosed at Note 8 of the accounts.
- (c) ASU National Office have an informal arrangement with the branch that 50% of all Rental Return that it receives on the property it owns (Note 6) should be shared with the Branch. The 50% share of the Branch's income is disclosed as an income item listed as Rent Received and expense item listed as ACT property costs in the statement of comprehensive income.

Transactions with a Related Entity:

- a) Contributions received for funding the Branch from the United Services Union are disclosed as income in the statement of comprehensive income.
- b) Services Fees paid to the United Services Union are disclosed as an expense in the statement of comprehensive income.
- c) Amounts payable to the United Services Union are disclosed at Note 8 of the accounts.

	2016 \$	2015 \$
14. CASH FLOW INFORMATION		
a) For the purposes of the statement of cash flows, cash at the end of the year is reconciled to the following items in the statement of financial position:		
Cash at Bank	<u>104,188</u>	<u>76,524</u>
b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH (DEFICIT)/SURPLUS FOR YEAR:		
Surplus/(Deficit) for year	29,547	222,695
Non-cash flows in Surplus		
Depreciation	5,733	5,733
Changes in Assets and Liabilities		
Increase/(Decrease) in Trade & Other Payables	217,390	(219,378)
(Increase)/Decrease in Trade & Other Receivables	<u>(225,006)</u>	<u>26,678</u>

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**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>27,664</u>	<u>35,728</u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)**

15. KEY MANAGEMENT PERSONNEL

The key management personnel of the Branch are Officers of the State Union. They receive no direct remuneration from the Branch. The Officers are paid by "the State Union" from income received from members. The amount of the officer's time is incorporated in the Service Fee charged by "the State Union".

16. EVENTS OCCURRING AFTER THE REPORTING DATE

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

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the branch executive, the Branch did not have any contingencies at 30 June 2016 (30 June 2015: None).

18. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:
Level 8
321 Pitt Street
Sydney NSW 2000

**Australian Municipal, Administrative, Clerical and Services Union
New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch**

ABN 77 278 017 470

Independent Audit Report to the Members

Report on the Financial Report

We have audited the accompanying financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch ("the Branch"), which comprises the statement of financial position as at 30 June 2016, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the state executive's certificate and accounting officer's certificate.

Branch Executive's Responsibility for the Financial Report

The Branch Executive is responsible for the preparation and fair presentation of the financial report and to meet the requirements of the *Fair Work (Registered Organisations) Act 2009*. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Auditor Qualifications

We declare that Robert Evett is an approved auditor being a member of Chartered Accountants Australia and New Zealand and that he holds a current Public Practice Certificate.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Opinion

In our opinion, the financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Branch is in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, including:

- (a) giving a true and fair view of the branch's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

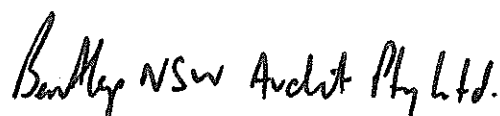
We have assessed the management's use of the going concern basis of accounting in the preparation of the branch as disclosed in Note 1 of the report to be appropriate.

Emphasis of Matter – Going Concern

Without modifying our opinion, we draw attention to Note 1 to the financial report, which indicated that the branch is dependent upon the ongoing financial support of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("The State Union") in order to pay its debts as and when they fall due.



ROBERT EVETT
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated: February 15, 2017.