



Australian Government
Registered Organisations Commission

16 December 2019

Mr Jeffrey Lapidos
Secretary
Australian Municipal, Administrative, Clerical and Services Union, Taxation Officers Branch

By e-mail: jeff.lapidos@asutax.asn.au

Dear Mr Lapidos

Australian Municipal, Administrative, Clerical and Services Union, Taxation Officers Branch
Financial Report for the year ended 30 June 2019 - FR2019/71

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australian Municipal, Administrative, Clerical and Services Union, Taxation Officers Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 3 December 2019.

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

Whilst the 2019 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 10 – agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)

If no undertaking to provide financial support has been received/provided the following statements should be included:

The Reporting Unit's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

- Item 12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Item 14(c) - pay affiliation fees to another entity
- Item 20 - make a payment to a former related party of the reporting unit

2. Auditor's statement

Auditor's qualifications

Item 29(b) of the reporting guidelines states that the auditor's statement must specify the registered auditor's name and registration number. The auditor's statement provided states the name of the registered auditor but not the registration number.

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) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Australian Municipal Administrative Clerical * Services Union

Taxation Officers' Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2019

I, Jeffrey Lapidos, being the Branch Secretary of the Australian Municipal Administrative Clerical and Services Union Taxation Officers' Branch certify:

that the documents lodged herewith are copies of the full report for the Australian Municipal Administrative Clerical and Services Union Taxation Officers' Branch for the period ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report was provided to members of the reporting unit by email on 19 November 2019 and placed on our website on 20 November 2019, and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 27 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

.....

Jeffrey Lapidos

Name of prescribed designated officer

Australian Services Union Tax Branch Secretary

Title of prescribed designated officer:

Dated: 3 December 2019

Australian Municipal Administrative Clerical & Services Union
Taxation Officers' Branch

Financial Statements

For the year ended 30 June 2019

**Australian Municipal Administrative Clerical & Services Union Taxation
Officers' Branch**

Financial Statements 2018–19

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Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Report required under subsection 255(2A)

for the year ended 30 June 2019

The committee of management presents the expenditure report¹ 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	228,880	230,262
Advertising	-	-
Operating costs	111,208	76,488
Donations to political parties	-	-
Legal costs	5,436	49,005

Signature of designated officer: 

Name and title of designated officer: JEFF LAPIDOS ASUTAX BRANCH SECRETARY

Dated: 14 November 2019

¹ Subsection 255(2A) provides a discretion to the reporting unit about how to report the required information. It is a matter for the reporting unit to determine whether the required information is presented in diagrammatic form such as, for example, a pie chart or whether it is reported in a descriptive form. Regardless, the reporting unit is only required to report the information in one format.

Australian Municipal Administrative Clerical & Services Union

Taxation Officers' Branch

Operating report

for the year ended 30 June 2019

The Committee of Management presents the operating report of the Australian Services Union Taxation Officers' Branch for the year ended 30 June 2019.

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

The principal activity of the Australian Services Union Taxation Officers' Branch during the 2018-19 financial year was that of a registered trade union. All employees of the Australian Taxation Office are eligible to be members. No significant change occurred in the nature of this activity during the year.

The results of our activities over the year

The ASU negotiated ATO Enterprise Agreement 2017 delivered a 2% pay increase on 3 August 2018 and a further 1% increase on 3 February 2019. This was on top of 3% delivered on 3 August 2017. We consulted with members about increasing our membership fees by 10% from 1 July 2018 on the basis that our fees last increased on 1 July 2013 and we would maintain the new rate for at least two years. We also changed the structure of our fees, particularly for part timers. There was strong support from our members for this change.

Health, workers compensation, conduct, performance, leave and career issues

The Branch Secretary and Branch Assistant Secretary are regularly engaged assisting members when their health impacts on their career and with their workers compensation claims. We also assist members if they are subject to internal investigation, suspended or charged with misconduct. We also advise on negotiating individual performance and development agreements. We also advise and represent members if under-performance is alleged. We also advise members about how to best manage their careers when difficult moments arise. This can include issues like access to leave, higher duties and promotions.

Unauthorised absence instead of sick leave without pay

The ATO used to be considerate of its staff who encountered health issues to the extent they used up all their personal leave credits. The Office would grant sick leave without pay as a matter of course. However, this position changed in the last year or so. Once an employee uses up all their personal leave credits, their manager would routinely warn them that they would not automatically be allowed sick leave without pay and may be placed on an unauthorised absence. The employee is then warned that the ATO regards unauthorised absences as a serious matter and that repeated unauthorised absences may result in termination of employment. The ASU does not agree with the ATO's approach. We consider it inconsistent with the relationship that should exist between the Office and its employees. The ASU continues to represent members in this situation and will test the issue in the Fair Work Commission if necessary.

Unauthorised access to taxpayer records

Unfortunately, this issue continues to be an occasional problem with a few members getting into trouble. The ATO tried a method of nipping this problem in the bud, by doing a search for anyone who had made an unauthorised access. The Office treated those detected quite leniently, usually by formal counselling, in the hope that this would discourage this from occurring. However, it remains a live issue. The ASU is concerned the ATO is not clear enough about this issue in its training and education programs for employees, and it should make it easier for employees to access their tax records and any person or entity they are authorised to represent.

Hot desking at the Moonee Ponds office to set the pattern for future refurbishments

The ASU has continued to contest the ATO introducing hot desking at its Moonee Ponds office. Since the Full Bench of the Fair Work Commission confirmed the ATO Enterprise Agreement does not ban hot desking, the ASU has worked with our members to obtain information from the ATO about its plans for the refurbishment of the Moonee Ponds office. We prepared detailed submissions for the Australian Parliament's Public Works Committee on its consideration of the ATO's proposal for the refurbishment of the Moonee Ponds office. The Branch Secretary also gave verbal evidence to the Committee. Prior to the Federal Election, the Committee gave the ATO permission to commence

producing the documentation it needed to proceed with its refurbishment proposal. This did not allow it to enter into any contracts. Since Parliament reformed, the Committee decided to recommend the ATO be allowed to proceed with its refurbishment proposal and Parliament has endorsed this. The ASU will continue to work with our members to ensure the refurbishment meets their professional needs.

Thodey review of the Australian Public Service

The ASU made a detailed submission to the Review. We focused on contracting out, the risk to the merit principle from contracting out, that third party providers do not deliver long term value and lack accountability. We also argued against the cap on staffing levels and on wages. We also raised our concern that the Government gave the impression it did not trust the APS, so much that it appeared to see the public service as merely being to organise the delivery of services and policy by the private sector. We are waiting to see the final Thodey Report and the Government's response.

Leave for jury service must be reasonable in all the circumstances

Our member was required for jury service in a criminal case in a NSW court, as it turned out, from 9.00 – 12.40, though his finish time was not known in advance. His usual working hours on this day were from 8.30 to 3.30, with a lunch break from 1.00 – 1.45. His business line decided he should use flex leave from 8.30 to 9.00 and from 1.55 to 3.30. We took the issue to an Assistant Commissioner in ATO People, who agreed that it was reasonable in all the circumstances for him to be absent for the full day.

ASU Career Launchpad

The ASU National Office worked with ASU Branches across Australia to make available to ASU members a professional development program. This involves access to live and interactive webinars with presenters who are experts in their field. Many members took up this opportunity, which we have made available again in 2019-20.

Lies in the media about the ATO

There are several commentators in the media who have been engaging in a vendetta against the ATO. One of the worst is Robert Gottlieb in the Australian. He repeats unfounded allegations that the ATO is anti-small business in the worst of ways and that it uses its powers unreasonably to collect debt. Gottlieb has even suggested the ATO alleges debt is owed when it is not and then drives businesses into the ground to collect it. It is just so much drivel. The truth is that the ATO goes to great lengths to ensure any assessments it issues are properly based and that it exercises its debt collections powers reasonably. We have expressed our concerns in reports to members and on our website.

Legal Expenses

Our Branch decided to contribute \$20,000 to assist the lawyers running the High Court case of *Comcare v Banerji*. The issue before the Court was whether the *Public Service Act 1999* could restrict the freedom of public servants to speak publicly about political matters. We launched an appeal to help defray the cost of this expenditure. The contributions we received are included in the contributions to the Litigation Fund listed below. We decided to pay the \$20,000 for the lawyers from our general fund so we could continue to accumulate a reasonable balance in the Litigation Fund. Unfortunately, the High Court found in favour of Comcare. The decision confirmed the *Public Service Act 1999* is able to restrict the speech of public servants.

The balance of our legal expenses was for advice or litigation, either in assisting members with workers compensation claims or in resolving disputes with the ATO. Legal and professional fees we incur may be reimbursed if claims succeed or as part of a settlement.

ASU Tax Litigation Fund

The ASU Tax Litigation Fund was established to assist us in any litigation we may need to undertake to further the interests of our members. Contributions to the Fund by tax officers are tax deductible. The balance of the Fund increased by \$5,237.49 over the year. We did not draw any money from the Fund.

Opening balance at 1 July 2018	16,232.54
Interest	324.29
Contributions	4,913.20
Closing balance at 30 June 2019	<u>21,470.03</u>

Remuneration Statement

All members of the ASU Tax Executive are honorary, other than the Branch Secretary, and the Branch Assistant Secretary, since the election was declared. We also provide the Branch President with a mobile phone and laptop computer so he can keep in touch with the Branch Secretary and our membership.

The Branch Secretary's remuneration in 2018-19 was salary of \$93,522, a home office allowance of \$1,000 and superannuation of \$25,000. A car with the annual value of \$2,873 was provided.

The Branch Assistant Secretary's remuneration in 2018-19 was a salary of \$83,605 and superannuation of \$8,717.

Operating Result

The operating result of the organisation for the year ended 30 June 2019 was a surplus of \$37,419. This was in addition to the contributions made to the ASU Tax Litigation Fund and the interest earned from its bank account. This was a significant turnaround from the deficit in 2017-18 of \$13,306. The change was due to the increase in membership fees, a reduction in our legal costs and a small increase in our average membership level.

We are able to pay our debts as they fall due. No provision for tax was necessary as the organisation is exempt from income tax.

Significant changes in financial affairs

There were no significant changes in our Branch's financial affairs during the year, other than the matters reported on above.

Elections for offices

Elections for all offices were conducted by the Australian Electoral Commission (AEC) in 2019. It is a complicated process. We filed prescribed information with the Registered Organisations Commission (ROC) on 17 December 2018. The ROC wrote to the AEC on 11 February 2019 to advise it was satisfied that elections were due to be held and the AEC would conduct the election. The AEC appointed a Returning Officer who determined the timetable for the election. The AEC and ASU Tax published the Election Notice and nomination forms on their respective websites on 6 March 2019, the opening date for nominations. Nominations closed on 27 March. The Returning Officer declared all candidates elected unopposed on 30 April 2019.

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

Ancel Greenwood, Branch President	1 July 2018 to 30 June 2019
Veronika Bonora, Branch Vice President	1 July 2018 to 29 April 2019
Neil Colebrook, Branch Vice President	30 April 2019 to 30 June 2019
Jeffrey Lapidos, Branch Secretary	1 July 2018 to 30 June 2019
Neil Colebrook, Branch Assistant Secretary	1 July 2018 to 29 April 2019
Amelia Tucker, Branch Assistant Secretary	30 April 2019 to 30 June 2019
Gisele Wood, Branch Treasurer	1 July 2018 to 30 June 2019
George Northend, Branch Executive Member	1 July 2018 to 30 June 2019
Geoff Southern, Branch Executive Member	1 July 2018 to 29 April 2019
Kristen Baker, Branch Executive Member	30 April 2019 to 30 June 2019

Representatives on the ASU National Executive

Jeffrey Lapidos, First Representative	1 July 2018 to 30 June 2019
Ancel Greenwood, Second Representative	1 July 2018 to 30 June 2019
Amelia Tucker, Alternate Representative	30 April 2019 to 30 June 2019
George Northend, Alternative Representative	1 July 2018 to 29 April 2019

Delegates to the ASU National Conference

Jeffrey Lapidos	1 July 2018 to 30 June 2019
Ancel Greenwood	1 July 2018 to 30 June 2019
Gisele Wood	1 July 2018 to 30 June 2019
Neil Colebrook	1 July 2018 to 29 April 2019
Kristen Baker	30 April 2019 to 30 June 2019
Amelia Tucker	30 April 2019 to 30 June 2019
Alternative Delegate: Vacant	1 July 2018 to 29 April 2019
Alternative Delegate: Geoff Southern	30 April 2019 to 30 June 2019

Right of members to resign

All members have the right to resign from the Union in accordance with Rule 32 of the Australian Services Union National Rules (and Section 174 of the *Fair Work (Registered Organisations) Act 2009*); namely, by providing 14 days' notice in writing addressed and delivered to the Branch Secretary, Australian Services Union Taxation Officers' Branch, 116 Queensberry Street, Carlton South, Victoria, 3053. Fax: (03) 9347 8781. Email: Jeff.Lapidos@asutax.asn.au

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

No officers or members of our Branch were in this position.

Number of members

There were 1,029 members, both financial and non-financial at 30 June 2019

Number of employees

There were two full time employees at the end of the 2018-1 financial year.

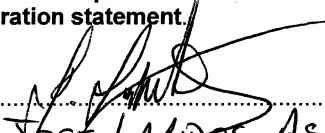
Material personal interest disclosures

No member of the Committee of Management had any material personal interests of theirs or a relative of theirs that relates to the affairs of our Branch of the Union.

Information required under section 255(2A) of Fair Work (Registered Organisations) Act 2009

The ASU Tax Branch did not spend any money on advertising. We made no donations to any political party. We did incur legal costs. They are described above under the heading **Legal Expenses – Barristers**. We made no payments to external solicitors during the year under review. Our expenditure on remuneration and other employment related costs for employees are set out in the **Expenses** section of our **Statement of Comprehensive Income** for the year and in the section of this Operating Report headed, **Remuneration statement**.

Signature of designated officer:



Name and title of designated officer:

JEFF LAPIDOS ASU TAX BRANCH SECRETARY

Dated:

14 November 2019

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Committee of management statement

for the year ended 30 June 2019

On 14 November 2019 the Taxation Officers' Branch of the Australian Services Union passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: 

Name and title of designated officer: JEFF LAARDOS ASU TAX BRANCH SECRETARY

Dated: 14 November 2019

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Statement of comprehensive income

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership fees		366,054	321,628
Capitation fees and other revenue from another reporting unit	3A	609	1,294
Levies	3B	-	-
Litigation Fund		4,467	8,258
Investment income	3C	9,755	9,465
Other revenue		2,060	1,805
Total revenue		382,945	342,449
Other Income			
Grants and/or donations	3D	-	-
Revenue from recovery of wages activity	3E	-	-
Total other income		-	-
Total income		382,945	342,449
Expenses			
Employee expenses	4A	228,880	230,262
Capitation fees and other expense to another reporting unit	4B	24,069	23,119
Administration expenses	4C	31,894	25,062
Grants or donations	4D	18,182	-
Depreciation and amortisation	4E	7,364	9,265
Legal costs	4F	5,436	49,005
Audit fees	13	4,600	4,600
Other expenses	4G	25,099	14,442
Total expenses		345,526	355,755
Surplus (deficit) for the year		37,419	(13,306)

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

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Statement of financial position

as at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	502,083	472,208
Trade and other receivables	5B	1,320	392
Total current assets		503,403	472,600
Non-current Assets			
Plant and equipment	6A	12,240	15,551
Total non-current assets		12,240	15,551
Total assets		515,643	488,151
LIABILITIES			
Current Liabilities			
Trade payables	7A	14,077	24,236
Other payables	7B	41,906	49,788
Employee provisions	8A	118,460	110,346
Total current liabilities		174,443	184,370
Non-current Liabilities			
Total non-current liabilities		-	-
Total liabilities		174,443	184,370
Net assets		341,200	303,781
EQUITY			
Litigation Fund	9A	21,470	16,232
Reserves	9A	-	-
Retained surplus (accumulated deficit)		319,730	287,549
Total equity		341,200	303,781

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

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Statement of changes in equity

for the year ended 30 June 2019

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		32,751	284,335	317,086
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	3,214	3,214
Other comprehensive income		-	-	-
Transfer to/from Litigation Fund	9A	(16,519)	-	(16,519)
Transfer from retained surplus		-	-	-
Closing balance as at 30 June 2018		16,232	287,549	303,781
Adjustment for errors		-	-	-
Surplus / (deficit)		-	32,181	32,181
Other comprehensive income		-	-	-
Transfer to/from Litigation Fund	9A	5,238	-	5,238
Transfer from retained surplus		-	-	-
Closing balance as at 30 June 2019		21,470	319,730	341,200

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

Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch

Statement of cash flows

for the year ended 30 June 2019

		2019	2018
		\$	\$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	670	1,423
Interest		9,755	9,465
Other		368,370	329,478
Cash used			
Employees		(214,292)	(203,266)
Suppliers		(96,335)	(87,260)
Payment to other reporting units/controlled entity(s)	10B	(34,240)	(34,935)
Net cash from (used by) operating activities	10A	33,929	14,905
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(4,053)	(2,234)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		(4,053)	(2,234)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		29,875	12,671
Cash & cash equivalents at the beginning of the reporting period		472,208	459,537
Cash & cash equivalents at the end of the reporting period	5A	502,083	472,208

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

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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

No significant accounting judgements or estimates have been identified which have a significant risk.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch has adopted all standards which became effective for the first time at 30 June 2019. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the ASU National Office.

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

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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch plans to adopt AASB 16 on the required effective date.

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.

During the financial year ended 30 June 2019, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch performed a preliminary assessment of AASB 16.

Following the adoption of this new Standard, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch's net profit after tax is expected to neither increase nor decrease in 2020.

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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch plans to adopt AASB 15 on the required effective date.

During the financial year ended 30 June 2019, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch performed a preliminary assessment of AASB 1058 and 15.

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch anticipates that the adoption of AASB 15 will not have a significant impact on the entity's financial statements.

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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 Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch 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 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.

All revenue is stated net of the amount of goods and services tax (GST).

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch* recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that Australian

Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.8 Gains

Sale of assets

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

No assets were sold during the 2018/19 financial year.

1.9 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.

1.10 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 Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch in respect of services provided by employees up to reporting date.

1.11 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.

1.12 Borrowing costs

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

No borrowing costs were incurred during the 2018/19 financial year.

1.13 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.

1.14 Financial instruments

Financial assets and financial liabilities are recognised when the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch entity becomes a party to the contractual provisions of the instrument.

1.15 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch may also consider a financial asset to be in default when internal or external information indicates that the Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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.

1.16 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch's financial liabilities include trade and other payables.

Subsequent measurement

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.

1.17 Contingent liabilities and contingent assets

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

1.18 Land, buildings, plant and equipment

Asset Recognition Threshold

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

Depreciation

Depreciable property, plant and equipment assets is depreciated on a diminishing basis over their useful lives to Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch commencing from the time the asset is held ready for use.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2019	2018
Plant and equipment	20-66.67%	20-66.67%

Derecognition

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

1.19 Investment property

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch does not hold any investment in property.

1.20 Impairment of non-financial assets

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

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Taxation

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' 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.

1.22 Going concern

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch has not agreed to provide financial support to reporting entity 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 Municipal Administrative Clerical & Services Union Taxation Officers' Branch.

2019	2018
\$	\$

Note 3 Income

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

Capitation fees:

ASU National	-	-
Subtotal capitation fees	-	-

Other revenue from another reporting unit:

ASU National	609	1,294
Subtotal other revenue from another reporting unit	609	1,294
Total capitation fees and another revenue from other reporting unit	609	1,294

Note 3B: Levies

Levies	-	-
Total levies	-	-

Note 3C: Investment income

Interest		
Deposits	9,755	9,465
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	-	-
Total investment income	9,755	9,465

Note 3D: Grants or donations

Grants	-	-
Donations	-	-
Total grants or donations	-	-

2019	2018
\$	\$

Note 3E: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	116,387	103,781
Superannuation	23,444	20,644
Leave and other entitlements	6,632	8,219
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	146,463	132,644

Employees other than office holders:

Wages and salaries	67,454	79,807
Superannuation	7,007	7,807
Leave and other entitlements	1,481	4,624
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	75,942	92,238

Payroll Tax	4,431	3,956
Workcover	2,044	1,424
Total employee expenses	228,880	230,262

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

Capitation fees

ASU National Executive	24,069	23,119
Subtotal capitation fees	24,069	23,119

Other expense to another reporting unit

ASU National Executive	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	-	-

	2019	2018
	\$	\$
Note 4C: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies		
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	17,796	10,452
Contractors/consultants	-	-
Property expenses	7,058	6,852
Office expenses	632	805
Information communications technology	5,200	5,541
Other	1,208	1,412
Subtotal administration expense	31,894	25,062
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	-	-

Note 4D: Grants or donations

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	18,182	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	18,182	-

Note 4E: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	7,364	9,265
Total depreciation	7,364	9,265
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	7,364	9,265

2019	2018
\$	\$

Note 4F: Legal costs

Litigation	-	-
Other legal costs	5,436	49,005
Total legal costs	5,436	49,005

Note 4G: Other expenses

Other expenses	25,099	14,442
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Total other expenses	25,099	14,442

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	502,083	472,208
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	502,083	472,208

Note 5B: Trade and other receivables

Receivables from other reporting units

	-	-
Total receivables from other reporting units	-	-

Less allowance for expected credit losses

	-	-
Total allowance for expected credit losses	-	-

Receivable from other reporting units (net)

	-	-
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Other receivables:

GST receivable	-	-
Other	1,320	392
Total other receivables	1,320	392
Total trade and other receivables (net)	1,320	392

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	-	-

Note 6 Non-current Assets

	2019	2018
	\$	\$
Note 6A: Plant and equipment		
Plant and equipment:		
at cost	77,688	73,635
accumulated depreciation	(65,447)	(58,083)
Total plant and equipment	12,240	15,551

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	73,635	71,401
Accumulated depreciation and impairment	(58,083)	(48,818)
Net book value 1 July	15,551	22,582
Additions:		
By purchase	4,053	2,234
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(7,364)	(9,265)
Other movement [<i>give details below</i>]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 30 June	12,240	15,551
Net book value as of 30 June represented by:		
Gross book value	77,688	73,635
Accumulated depreciation and impairment	(65,447)	(58,083)
Net book value 30 June	12,240	15,551

2019	2018
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	14,077	24,236
Operating lease rentals	-	-
Subtotal trade creditors	-	-
Payables to other reporting units		
	-	-
Subtotal payables to other reporting units	-	-
Total trade payables	14,077	24,236

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	7,778	11,903
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	22,514	25,736
GST payable	7,591	8,605
Other	4,023	3,544
Total other payables	41,906	49,788

Total other payables are expected to be settled in:

No more than 12 months	41,906	49,788
More than 12 months	-	-
Total other payables	41,906	49,788

2019	2018
\$	\$

Note 8 Provisions

Note 8A: Employee provisions

Office holders:

Annual leave	69,798	54,073
Long service leave	48,662	36,450
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—office holders</i>	118,460	90,523
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Employees other than office holders:

Annual leave	-	12,217
Long service leave	-	7,606
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—employees other than office holders</i>	-	19,823
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Total employee provisions	118,460	110,346
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Current	118,460	110,346
Non-current	-	-

<i>Total employee provisions</i>	118,460	110,346
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Note 9 Equity

Note 9A: General funds

Litigation Fund

Balance as at start of year	16,232	32,750
Transferred to litigation fund	5,238	9,532
Transferred out of litigation fund	-	(26,050)
Balance as at end of year	21,470	16,232

Reserves

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Note 10 Cash Flow

Note 10A: Cash flow reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	502,083	472,208
Balance sheet	502,083	472,208
Difference	-	-

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

Profit/(deficit) for the year	37,419	(13,306)
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Adjustments for non-cash items

Depreciation/amortisation	7,364	9,265
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	(928)	(392)
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	(13,982)	7,250
Increase/(decrease) in other payables	(676)	920
Increase/(decrease) in employee provisions	8,114	12,843
Increase/(decrease) in other provisions	(3,382)	(1,675)
Net cash from (used by) operating activities	33,929	14,905

Note 10B: Cash flow information

Cash inflows		
ASU National	670	1,423
Total cash inflows	670	1,423

Cash outflows		
ASU National	34,240	34,935
Total cash outflows	34,240	34,935

2019	2018
\$	\$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

Operating lease commitments—as lessee

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

Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

Other contingent assets or liabilities (i.e. legal claims)

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch has received an invoice from Australian Services Union National Office for \$5,801 relating to it making a proportionate contribution to the ACTU's Change the Rules campaign for the year ended 30 June 2019.

The invoice has not been included in the 2019 Financial Report.

The Branch Committee of the Management dispute the validity of the invoice and are confident a successful outcome can be achieved.

2019	2018
\$	\$

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

Capitation fees are paid quarterly to ASU National Executive. Capitation fees incurred in the year are disclosed in the Income and Expenditure Statement as Capitation Fees.

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

Revenue received from ASU National Executive includes the following:

Expense reimbursements	609	1,294
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Expenses paid to ASU National Executive includes the following:

Capitation Fees	24,069	23,119
Insurance	385	429
Subscriptions	211	213
Other Reimbursement	-	535
Rent	7,058	7,212
Payroll Tax	4,431	3,956

Amounts owed by ASU National Executive include the following:

-	-
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Amounts owed to ASU National Executive include the following:

Capitation	6,264	6358
Rent	1,941	3769
Payroll Tax	4,431	3,956
Internet	-	396

Loans from/to ASU National Executive includes the following:

-	-
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Assets transferred from/to ASU National Executive includes the following:

-	-
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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Australian Municipal Clerical & Services Union Taxation Officers' Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body

(2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party (See Note 6G).

2019	2018
\$	\$

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

Short-term employee benefits

Salary (including annual leave taken)	117,308	103,781
Annual leave accrued	9,373	4,835
Performance bonus	-	-

Total short-term employee benefits	126,681	108,616
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Post-employment benefits:

Superannuation	23,444	26,489
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Total post-employment benefits	23,444	26,489
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Other long-term benefits:

Long-service leave	2,576	2,278
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Total other long-term benefits	26,020	28,767
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Termination benefits

	-	-
Total Remuneration	152,701	137,383

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

No transactions occurred during the year with elected officers, close family members or other related parties other than those related to their membership or employment and on terms no more favourable than those applicable to any other member or employee.

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	4,600	4,600
Other services	-	-

Total remuneration of auditors	4,600	4,600
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No other services were provided by the auditors of the financial statements.

Note 14 Financial Risk Management

Financial instruments held by the Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch consist mainly of cash, deposits with banks (either at-call or on short-term deposit) and accounts receivable and accounts payable.

The total of each category of financial instrument together with their weighted-average interest rate and their maturity profile may be summarised as follows:

	Floating interest rate	1 year or less to maturity	1 to 5 years to maturity	Non-interest bearing	Total
	\$	\$	\$	\$	\$
30 June 2019					
Cash on hand	-	-	-	-	-
Cash at bank	181,908	-	-	-	181,908
Term Deposit	-	320,175	-	-	320,175
Other receivables	-	-	-	-	-
Total financial assets	181,908	320,175	-	-	502,083
Less financial liabilities	-	-	-	-	-
Trade and other payables	-	-	-	(21,437)	(21,437)
Net financial assets	181,908	320,175	-	(21,437)	480,646

	Floating interest rate	1 year or less to maturity	1 to 5 years to maturity	Non-interest bearing	Total
	\$	\$	\$	\$	\$
30 June 2018					
Cash on hand	-	-	-	-	-
Cash at bank	160,069	-	-	-	160,069
Term Deposit	-	312,139	-	-	312,139
Other receivables	-	-	-	-	-
Total financial assets	160,069	312,139	-	-	472,208
Less financial liabilities	-	-	-	-	-
Trade and other payables	-	-	-	(35,419)	(35,419)
Net financial assets	160,069	312,139	-	(35,419)	436,789

(a) Net fair value of financial instruments

The fair values disclosed in the above table have been determined based on the following methodology:

Cash and cash equivalents, trade and other receivables, trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payable excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

(b) Financial risk management policies

The Australian Municipal Administrative Clerical & Services Union Taxation Officers' Branch has established a risk management framework. This includes the development of policies covering specific areas.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the union activities. The overall risk management policies seek to assist the union in meeting its financial targets, while minimising potential adverse effects on financial performance.

Mitigation strategies for specific risks faces are described below:

Credit risk

Exposure to credit risk relating to financial assets arises from potential non-performance by counterparties of contract obligations that could lead to a financial loss to the union and arises principally from the union's receivables.

Credit risk exposure

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

	2019	2018
Bank deposits		
Commonwealth Bank	57,397	67,190
Member's Equity Bank	444,686	405,018
Other receivables		
Trade and sundry debtors	1,320	392
	<u>503,403</u>	<u>472,600</u>

(c) Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity 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 throughout the year;
- 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
- maintaining adequate reserves.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(e) Price Risk

The union is not exposed to any material commodity price risk.

(f) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The union is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the group to interest rate risk are limited to held-to-maturity financial assets and cash at bank.

The activities of the union are not sensitive to changes in interest rates as neither interest income nor interest on borrowings are significant to the organisation.

(g) Asset pledged or held as collateral

No assets have been pledged as security or held as collateral for any loan, borrowing or credit facility.

Note 15 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).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION
OFFICERS BRANCH**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch (the reporting unit), 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 then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) The Australian Accounting Standards; and
- (ii) 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).

We 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION
OFFICERS BRANCH**

Responsibilities of the 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

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION
OFFICERS BRANCH**

- 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. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.

We 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 we identify during our audit.

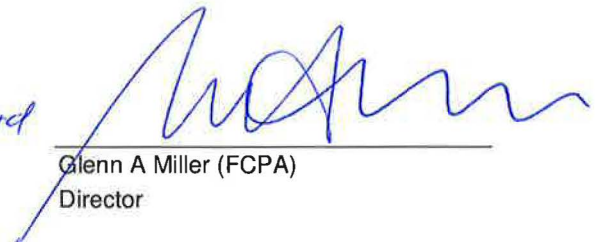
We declare that we are approved auditors, a member of CPA Australia and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

From the work performed, no deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act was noted.

NMM Audit & Assurance Pty Ltd

NMM Audit & Assurance Pty Ltd
110 Drummond Street, Oakleigh, Vic,
3166


Glenn A Miller (FCPA)
Director

CPA Registration Number: 326909

Dated this 18th day of November 2019